

Regular Meeting

Wednesday

January 8, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, January 8, 1997, 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, Bromenschenkel, Macleod

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 19, 1996:

Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held December 19, 1996.

Second by Myers.

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

Approved the Airport Vouchers Totaling \$53,723.67:

Pawluk moved to approve the airport vouchers totaling \$53,723.67.

Second by Macdonald.

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

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Myers moved to approve the individual voucher in the amount of \$147.77 to Foss Associates for payment request for professional services in connection with the Westside Terminal Window Glazing/Sealing Project.

Second by Macdonald.

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

Absent and not voting: Gallagher

The motion was declared carried.

Approved the Individual Voucher to Obermiller Nelson Engineering:

Myers moved to approve the individual voucher in the amount of \$360.00 to Obermiller Nelson Engineering for payment request for professional services in connection with the Westside Terminal cooling tower improvements.

Second by Macdonald.

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

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Myers moved to approve the individual voucher in the amount of \$1,092.00 to Ulteig Engineers, Inc. for engineering services in connection with the Westside Terminal Generator.

Second by 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 ServiceMaster of F M:

Myers moved to approve the individual voucher in the amount of \$3,250.00 for cleanup associated with Eastside Terminal Reroofing Project.

Second by 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.

Received Report from Foss Associates Regarding Eastside Terminal Reroofing Project:

Mr. Bill Cowman, Foss Associates, was recognized and stated he is here today to provide a report on the damage caused by the Eastside Terminal reroofing project and also to answer any questions of the authority members.

Mr. Cowman stated Pierce Roofing & Sheet Metal was the contractor awarded the bid for the Eastside Terminal reroofing project and Foss Associates was the architect. He stated that according to his notes on November 12, 1996, Mr. Dobberstein called Mr. Patrick Delapointe, Foss Associates, to advise him that they had received word that some portion of ceiling tiles were disturbed as a result of the roofing project. He stated the section which was the most disturbed was in the area of an expansion joint between building additions. He stated in that area some of the roofing material sifted through the ceiling.

Mr. Cowman stated this raised the concern of one of the tenants, FAA Flight Standards District Office, and they took it upon themselves to hire an asbestos consulting firm in Grand Forks (ARC) who made an inspection on November 13. Mr. Cowman stated samples were taken of the ceiling tiles and two came back negative and two contained 5 to 10% asbestos. He stated the testing firm returned on November 15 to take an air borne test and that test was negative. He added that the debris on the tables was roof insulation and not ceiling tiles. He stated there was no breaking of the ceiling tile with the exception of one tile.

Mr. Cowman stated ServiceMaster was contacted and hired to come in and clean the office spaces and he asked Mr. Tom Schmidt, ServiceMaster, if they did anything out of the ordinary for the cleanup. He indicated they did use a wet method for cleaning.

Mr. Cowman stated had the roofer been aware of asbestos material in the area they may have used different equipment for this project.

Mr. Pawluk asked if Mr. Cowman felt this problem was a result of action taken by the roofer and if that is so how does Foss feel this cost should be appropriated.

Mr. Myers asked that this be submitted to our insurance carrier, ND State Fire and Tornado and that they subrogate on our behalf with the roofing contractor's carrier.

Mr. Cowman indicated if the Airport Authority feels the roofer is responsible he feels Pierce would be responsible for the clean up of the area near the expansion joint.

Received Report from Foss Associates Regarding Eastside Terminal Reroofing Project:
(Continued)

Mr. Myers stated he feels it is important for the Airport Authority to be on record with our tenants that we have had the building surveyed by an asbestos consultant and there is no evidence of fractured or friable asbestos in that building. He added that you are going to find asbestos content in every ceiling tile in the United States and a person is exposed to more asbestos standing on the corner of Broadway and NP Avenue from brake drums than you ever would in a building with ceiling tile.

Mr. Dobberstein stated he has spoken with Mrs. Dixie Norton, Manager of the FAA/FSDO office a number of times and they were the ones that hired ARC to do the testing. He stated he has talked to both of the gentlemen who did the testing and the report. Mr. Dobberstein stated he also discussed the matter with Mr. Lynn Lammers who did the asbestos survey of that building a few years ago. He stated the FAA does not seem to believe the firm that did the asbestos testing for them.

Mr. Pawluk stated Mr. Parmer authorized ServiceMaster to come in and do the clean up which was the proper response.

Mr. Myers stated he has no problem with how the situation was handled but he is concerned that the tenants in the Eastside Terminal be aware that there is no friable asbestos in that building.

Mr. Dobberstein asked Mr. Cowman if he would recommend the material containing asbestos be removed.

Mr. Cowman stated that is beyond his area of expertise.

Mr. Dobberstein stated Mr. Lammers had indicated the removal was not an immediate concern but may be something the Airport Authority might want to consider.

Mr. Pawluk stated if the Airport Authority hires an architectural firm to draft specifications for a project and the architect inspects the project what responsibility does the architectural firm have to make the determination that such material is present.

Mr. Cowman stated the presence of asbestos is the responsibility of the owner and the owner needs to make the contractor aware of the presence of asbestos.

Mr. Dobberstein indicated this expense would be turned over to our insurance carrier.

Received and Reviewed Draft Lease for Executive Aviation:

Attorney Stewart stated he has prepared a ground lease for the igloo building and adjacent hangar building to run through June 30, 2004. He stated the only question the Authority needs to answer is how much per square foot for the lease.

Mr. Pawluk asked if presently both private and commercial tenants pay the same six cents per square foot.

Attorney Stewart indicated the rate is currently the same.

Mr. Pawluk recommended this lease and future leases in the southeast general aviation area be set at eight cents per square foot for the footprint of the building.

Mr. Pawluk stated he does not feel it is appropriate at this time to change the leases and tell the tenants they now need to lease more square footage.

Gen. Macdonald stated he does not agree that we should not change a lease. He indicated leases have expiration dates in order to allow for adjustments in a lease.

Mr. Pawluk asked what advantage is there to the Authority to increase the amount of ground required in the lease, other than the obvious reason to pay the Authority more rent.

Gen. Macdonald stated the reason for increasing the areas in the leases would be to get away from the areas for which no one is responsible.

Received and Reviewed Draft Lease for Executive Aviation:

Mr. Pawluk stated he feels the Airport Authority is responsible for those areas because the only activity on such space is mowing or storage of snow. He stated he feels this is an issue because of the increased property taxes to the private user.

Gen. Macdonald stated if the building code requires a certain area then the tenant should be responsible for the tax.

Mr. Pawluk stated he feels that should apply to the new general aviation area and new construction but he does not feel this change is appropriate.

Gen. Macdonald stated he completely disagrees that we cannot change a lease that was written 30 years ago.

Mr. Pawluk suggested a lease rate of eight cents per square foot if the footage remains the same or six cents if we require more leased space.

Gen. Macdonald stated if the Airport Authority has been leasing space at six cents a square foot for 20 years he feels we can increase both the price and the size of the leased area.

Mr. Pawluk stated an increased area in a lease would also require that the tenant pays higher taxes which is of no advantage to the Airport Authority. He stated he feels six cents is reasonable but is not a give away.

Mr. Bernie Ness was recognized and stated that 20 years ago general aviation was alive and well but today general aviation has some severe problems. He stated he feels the question is does Fargo want to compete or do they want aircraft owners to go to the area general aviation airports. He stated if Fargo wants aircraft here they need to be competitive.

Mr. Myers stated there are several issues involved here. He stated Moorhead was able to build hangars with state infused money but they are having problems funding additional hangars. He stated he feels it is very economical to lease space and operate as a general aviation pilot on this airport with magnificent facilities. He stated the hangars at Hector Airport are cleared of snow in a timely manner whereas the smaller airports are still cleaning out from the last storm.

Gen. Macdonald moved the Airport Authority set the lease rate for Executive Aviation and all future leases and renewals in the southeast general aviation area at eight cents per square foot for the current footprint of the buildings.

Second by Mr. Myers.

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

Received and Reviewed Draft Lease for Way Point Avionics:

Attorney Stewart stated he has prepared a sublease for Way Point Avionics, Inc. from Aviation Resources, Ltd.

Mr. Myers moved the Airport Authority direct Attorney Stewart to continue with the lease and establish eight cents per square foot as the minimum lease and 1 1/2 % of gross sales as the maximum lease payment.

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

Mr. Pawluk asked what items are included in the definition of gross sales for the 1 1/2% fee to the airport.

Mr. Dobberstein read two paragraphs from the lease:

"1 1/2% of the gross sales of all service, storage, repairs (including sales of parts installed), accessories, merchandise and parts sold "over the counter," and all other sales of any kind or character but excluding aircraft sales and sales of gasoline or other airplane motor fuel.

Two cents per gallon on each gallon of gasoline (or other airplane or motor fuel) dispensed from the leased premises but excluding such fuels used by Lessee in aircraft in its operation."

Chairman Stanton called for a vote on the motion.

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

Received and Reviewed Draft Lease for Way Point Avionics: (Continued)

Mr. Dobberstein stated just yesterday he received a communication from Dr. Clif Hamilton indicating that now would be the perfect time to revamp the structure of fees being paid to the Airport Authority by businesses at Hector Airport. He indicated the lease with Dakota Aero tech contains at least three special concessions that are not included in other FBO leases:

- 1) Does not have a ground lease fee for the space under their building
- 2) Has a clause exempting the maintenance school from the 1 1/2% city lease fee.
- 3) Has a clause exempting charges to other FBOs.

Mr. Myers indicated the Authority has provided the figures for these leases and it is now up to the administration and Attorney Stewart to recommend items on which tenants must pay a percentage to the Airport Authority.

Authorized Purchase of Tractor Mount Snowblower:

Mr. Dobberstein stated late last summer we purchased a utility tractor and a 20' rotary mower. He stated two of the accessories for this tractor which were identified by our maintenance staff were a loader for the tractor and a three point mount snowblower. He stated at the time of purchase we did not have any snow with which to demo these items and now that we have tried the snowblower unit the maintenance staff is requesting we purchase this unit. Mr. Dobberstein stated he would recommend the purchase of this unit which is a 961 BTS Loftness 96" single auger, two stage snowblower. This unit is used to blow snow from around the airfield lights and guidance signs.

Mr. Dobberstein recommended the purchase of this unit from Ford Tractor of Fargo based on their low bid of \$4,033. The other bid received from Farm Power Inc. was \$4,190.

Gen. Macdonald moved to authorize the purchase of the requested tractor mount snowblower.
Second by Mr. Myers.

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

Absent and not voting: Gallagher

The motion was declared carried.

Chairman Stanton stated she would like to commend the entire airport staff on their performance and dedication throughout the severe weather we have had.

Received Communication from City Auditor's Office Regarding Change in Airport Liability Insurance Companies and Coverage Effective 1 1 97:

Chairman Stanton read a memorandum dated January 2, 1997 from Mark Thelen, Director of Finance, advising of the City's decision to purchase airport liability from Phoenix International. The primary reason the City changed its insurance provider was because the City could receive similar coverage for a 25% premium reduction. Also, for very close to the same premium the limit can be increased from \$30 million to \$100 million. Attached is an analysis which shows the side by side comparison of the two policies.

Mr. Dobberstein stated the policy is in place and this decision was made by Mr. Thelen through the Finance Committee.

Gen. Macdonald asked if this was done without our knowledge.

Mr. Dobberstein stated he has indicated to Mr. Thelen that it is his preference that these matters come before the Airport Authority before decisions are made.

Received Communication from City Auditor's Office Regarding Change in Airport Liability Insurance Companies and Coverage Effective 1 1 97: (Continued)

Mr. Myers stated he feels the Chairman should correspond with the Mayor and get the issue of the Airport Authority's autonomy ironed out. He stated he certainly wants to cooperate with the City but they should not unilaterally make decisions for this board.

Chairman Stanton stated she has visited both with the Mayor and Mr. Thelen and we are going to set up a meeting to discuss this issue.

Myers moved the communication from Mr. Thelen be received and filed.

Second by Macdonald.

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

Mr. Bromenschenkel stated as far as the City's concern with the airport's liability insurance, the liability of the Airport Authority ultimately ends with the City. He stated the City Commission does not want input in the day to day operations of the airport but the City is concerned with the ultimate liability.

Mr. Myers stated it would be common courtesy to communicate with the board before such a decision is made.

Mr. Bromenschenkel agreed the staff should have been informed.

Mr. Dobberstein indicated he did have some conversation with Mr. Thelen and completed the required forms but it was after the last Airport Authority meeting that the decision had been made.

Mr. Myers stated he does give Mr. Thelen credit for securing coverage at a reduced rate but the Airport Authority should be involved in those decisions.

Chairman Stanton stated she will arrange for the Airport Authority to meet with Mayor Furness, Commissioner Bromenschenkel and Mr. Thelen.

Considered Request from The Barnstormer Restaurant Regarding Change in Hours of Operation:

The Authority received a communication dated January 6, 1997, from The Barnstormer restaurant indicating it would like to change its opening time from 5:15 a.m. to 6:00 a.m. They intend to continue opening the snack bar at 5:15 a.m. to accommodate passengers on the 6:00 a.m. flight. They have been tracking their customer count in the restaurant from 5:15 to 6:00 am since September and on a typical day they have five customers with a guest check average of \$1.00 per person. They feel they could satisfy these customers by having services available in the snack bar. Future airline schedule changes may alter this and they would consider changing hours of operation if necessary.

Macdonald moved to approve the request for change in the restaurant hours.

Second by Pawluk.

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

Received Communication from Ulteig Engineers, Inc. Regarding Analysis of Optimum Runway Length for Heavy Aircraft Operation:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated at the last meeting the Airport Authority asked him to do a brief analysis on the capability of Hector Airport's runway system to adequately accommodate larger aircraft. Mr. Schon stated essentially when you get into the heavier line of aircraft the length of the runway is predicated on a number of things but the length of haul becomes a major item, in other words, how long are you going to fly before refueling. The FAA procedure indicates that the present 9,545 feet of runway is adequate for a 3,000 nautical miles unrefueled flight. This is considering 900 ft. elevation and 85 degree temperature. This distance would cover the entire United States and Alaska.

Received Communication from Ulteig Engineers, Inc. Regarding Analysis of Optimum Runway Length for Heavy Aircraft Operation: (Continued)

Mr. Schon stated should Fargo see an operator with aircraft requiring additional length there is room to move to the north as far as lengthening of the runway. He stated it would require relocating County 20.

In answer to a question from Mr. Myers, Mr. Schon stated we could extend the runway approximately 500 feet to the north without requiring the relocation of Cass County 20 but would require the relocation of the ILS and other navigational aid equipment.

Mr. Schon stated this airport has accommodated almost every type of aircraft made. He stated the Guard has had C 5 here, 747's and DC 10's use the airport routinely but not for freight purposes. He added that it all ties into weight.

Macdonald moved to receive and file the communication from Ulteig Engineers.

Second by Myers.

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

Received Report on Anticipated Airport Improvement Fund Expenditures:

Mr. Dobberstein stated at the last meeting he was asked to compile a report on current airport improvement fund balances, proposed projects that are AIP eligible as well as non AIP eligible projects.

Mr. Myers made reference to the item for the repairs to Hangars 3 and 4. Mr. Myers stated it is his understanding that our insurance carrier on Hangars 3 and 4 have indicated that if we have a catastrophic loss on these two structures that we will not have any building insurance. He stated he confirmed with Attorney Stewart this morning that we do, however, have hangarkeeper's liability insurance so if one of those buildings should collapse and damage aircraft, etc. we would be covered.

Attorney Stewart confirmed that information is correct.

Mr. Myers asked the record show that the Airport Authority is aware that we do not have building insurance on Hangars 3 and 4 but our liability exposure is covered.

Mr. Myers also asked Attorney Stewart what responsibility we would have to the current lessee should those buildings suffer damage and be required to be removed. Mr. Myers asked Attorney Stewart to research this matter and have an answer for the Authority at the next meeting.

Macdonald moved to receive and file the report on airport improvement projects.

Second by Myers.

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

Approved Engineering Services Contract for Air Cargo Apron Construction, AIP Project No. 3 38 0017 20, Subject to FAA Review and Concurrence:

Mr. Dobberstein stated the proposed Agreement for Engineering Services between the Municipal Airport Authority and Ulteig Engineers, Inc. for the Air Cargo Apron Project 3 38 0017 20 has been drafted and needs approval by the Airport Authority.

Mr. Pawluk asked if this would be an appropriate time for discussion on the location of the apron.

Mr. Dobberstein stated this is simply approving the engineering services contract and any discussion on the construction specifics of the project will be later in the meeting.

Myers moved to approve the Agreement for Engineering Services with Ulteig Engineers, Inc. for Project 3 38 0017 20, subject to FAA review and concurrence.

Second by Macdonald.

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

Pawluk voted no.

Absent and not voting: Gallagher

The motion was declared carried.

Approved Engineering Services Contract for the Installation of Watermain and Sanitary Sewer into the Air Cargo Area:

Mr. Dobberstein stated the costs associated with the installation of watermain and sanitary sewer into the air cargo area are not eligible for AIP funding and will come 100% from the airport's own improvement funds.

Macdonald moved to approve the Engineering Services Contract for the installation of watermain and sanitary sewer into the air cargo area.

Second by Myers.

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

Pawluk voted no.

Absent and not voting: Gallagher

The motion was declared carried.

Received Report on Meeting with the FAA Airports District Office and Approve Funding communication to the FAA for 1997 Construction Projects:

Mr. Dobberstein stated we had a meeting yesterday with Irene Porter and Tom Schauer from the FAA Bismarck Airports District Office to discuss our options for the commitment on our part to start the first phase of the air cargo apron as well as discussion on the north general aviation ramp expansion. Mr. Dobberstein stated the Airports District Office needs a letter from the Airport Authority committing our 1997 and 1998 entitlement funds for the air cargo apron project. He added we will also ask for discretionary funding for the balance of the project to complete Phase I.

Mr. Dobberstein stated they also discussed the Passenger Facility Charge (PFC) which we started collecting on January 1. He stated we discussed the possibility of adding some projects to the PFC application such as a new passenger loading bridge, expansion of the northeast general aviation ramp, etc. it would take six months for the approval. He added that if we were to move ahead with construction of the ramp project or purchase a new loading bridge we could use our own funds initially and then recover those costs through the PFC.

Macdonald moved the Airport Authority write a letter to the FAA committing our 1997 and 1998 entitlement funds for the air cargo apron project and also request discretionary funds for the balance of the project.

Second by Myers.

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

Absent and not voting: Gallagher

The motion was declared carried.

Macdonald moved the Airport Authority submit a request for an extension to our PFC application for the funding of the expansion of the northeast general aviation area ramp, a new passenger loading bridge, a rotary snowblower and a motor grader and that Ulteig Engineers, Inc. be authorized to proceed with the submission.

Second by Myers.

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

Absent and not voting: Gallagher

The motion was declared carried.

Received Communication from Anderson & Bailly Regarding Dakota Aero Tech, Inc. Assignment of Lease to Fargo Aero Tech, Inc.:

Mr. Dobberstein read a communication from Mr. Richard P. Anderson, Anderson & Bailly, dated January 3, 1997 to Attorney Stewart. Mr. Anderson is representing Fargo Aero Tech, Inc. a recently formed North Dakota Corporation owned by Mr. David Lundeen. Fargo Aero Tech is negotiating to acquire certain the assets of Dakota Aero Tech, Inc. subject to certain conditions including the assignability of the existing leases between the Airport Authority and Dakota Aero Tech. The parties have generally agreed on the terms and conditions of this acquisition. Assuming that the Airport Authority approves this request it would be the intent of Fargo Aero Tech to

Received Communication from Anderson & Bailly Regarding Dakota Aero Tech, Inc. Assignment of Lease to Fargo Aero Tech, Inc.: (Continued)

enter into new lease agreements with the Airport Authority under terms and conditions substantially similar to those now in place, thereby releasing Dakota Aero Tech, inc. from any future responsibility under these leases.

Mr. Dobberstein stated Mr. Shawn Barney is present at the meeting today to answer any questions.

Attorney Stewart stated the proposal is that Fargo Aero Tech will take over the assets of Dakota Aero Tech in exchange for the assumption of the promissory notes with the bank and \$25,000 of the debt owed the Airport Authority. Mr. Barney will assume the remaining debt to the Airport Authority which is in neighborhood of \$8,000. Attorney Stewart stated Fargo Aero Tech wants to issue the Airport Authority a promissory note for the \$25,000 to be paid over a term of five years and the balance assumed by Mr. Barney would be paid within one year.

Mr. Myers stated there is also the issues of any differences in the lease with Dakota Aero Tech and other FBO leases and asked if we change the holder of the lease do we also have the ability to change the lease.

Attorney Stewart stated that is where the negotiations will come in.

Mr. Myers stated that Vonnie Barney went out on a limb last year to clean up their outstanding debt to the Airport Authority . He stated he feels this proposal addresses the debt but he is concerned that the lease terms be rectified.

Mr. Pawluk stated he feels the assignment of lease is not a problem but he would like to see our largest accounts receivable brought current. He added that he does not feel it is the Airport Authority's responsibility to help finance the sale.

Attorney Stewart stated the entire matter will not be resolved today.

Macdonald moved to approve the assignment of lease from Dakota Aero Tech, Inc. to Fargo Aero Tech, Inc. subject to the following:

- 1) that the lease be amended to the standard of other FBO leases
- 2) all accounts receivables be personally secured
- 3) that the final documents be submitted to the Airport Authority for approval

Second by Myers.

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

Pawluk voted no.

Absent and not voting: Gallagher

Attorney Stewart stated these issues could be resolved at a special meeting.

Due to the Friday morning closing of this sale a special meeting was called for Thursday, January 9 at 2:00 p.m.

Received Communication from JP Development Requesting a Ground Lease to Construct a Ten Unit T hangar:

Mr. Dobberstein read a communication from Mr. Patrick Sweeney, JP Development dated December 31, 1996, requesting permission to lease the entire lot as outlined on Exhibit "B" to construct a 10 unit T hangar complex in the northeast general aviation t hangar area. The hangar space will be leased to Weather Modification, Inc. for storage of aircraft and associated equipment. They would like to start construction as early as possible this spring. Construction will be very similar to the t hangar complex currently under construction in the lot directly to the east of the proposed site.

Pawluk moved Attorney Stewart be directed to draft a lease agreement with JP Development as requested, subject to review and final approval by the Airport Authority.

Received Communication from JP Development Requesting a Ground Lease to Construct a Ten Unit T hangar:

Mr. Dobberstein stated the lease rate on this site would be ten cents per square foot for footprint of the building plus five feet, or whatever is required by city building code, with the lessee paying the entire cost for the required ground survey, water and sewer to the building, telephone and electricity, as well as the concrete between the hangar door and the taxilane. He added that the Airport Authority would also have to approve the building plans.

Mr. Pat Sweeney stated he understands all of those items are his responsibility.

Chairman Stanton called for a vote on the motion.

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

Absent and not voting: Gallagher

The motion was declared carried.

Received Communication from Weather Modification, Inc. Regarding Phase II Hangar Construction:

Mr. Dobberstein stated the members received a communication dated January 3, 1997 from Mr. Patrick Sweeney, President, Weather Modification, Inc. and Fargo Jet Center.

The letter stated that since Weather Modification, Inc. first approached the Airport Authority in 1992 they have had considerable growth and success and have also seen the opening of the Fargo Jet Center. They have outgrown their current space and are now positioned to enter the second phase of their facility development. As their plans in 1992 showed, they have always planned for two hangars within their main facility. They have taken a conservative approach in their facility development and their business needs today require the construction of the second hangar at their facility. Weather Modification and Fargo Jet Center have experienced significant economic development, the creation of 27 new jobs in aviation and contributions to the airport and the City of Fargo. To continue with their original plan they are requesting the Airport Authority construct and finance the proposed hangar for which the details were presented September 18, 1996. The facility will be a 22,500 sq. ft. structure with identical hangar doors as their existing hangar. They wish the Airport Authority to finance the project up to \$1.2 million and anticipate the same terms and conditions as the other hangars that have been constructed in the northeast general aviation development. The draft development agreement was formally submitted to the Authority for review by Attorney Stewart on October 2, 1996.

Macdonald moved to receive and file the communication from Weather Modification, Inc.

Second by Myers.

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

Mr. Myers stated it is his understanding the Airport Authority is not allowed to loan government funds for the financing of private ventures.

Attorney Stewart stated that in recent years ND state law has been overlooked in the interest of economic development. When WMI first approached the Airport Authority they were talking about securing economic development funds for their project.

Mr. Myers stated this is a legal issue for the Airport Authority.

Mr. Pawluk stated he feels that question has already been answered in that the Airport Authority financed the construction of one \$600,000 hangar and another hangar in excess of \$1 million in the northeast general aviation area.

Attorney Stewart indicated that action was defensible.

Mr. Pawluk asked if Attorney Stewart if he is saying this proposed project would not be defensible.

Attorney Stewart stated he is not saying it would be totally indefensible but would be less defensible than financing a project in order to make the initial step in getting an area developed.

Received Communication from Weather Modification, Inc. Regarding Phase II Hangar Construction: (Continued)

Mr. Myers stated the other issue before us is where the Airport Authority would get these funds. Gen. Macdonald stated it appears to him that this would be economic development as much as the previous development.

Mr. Myers stated he does not have any problem with the Airport Authority's prior action to provide financing to get the development started.

Gen. Macdonald suggested getting the Attorney General's opinion on the matter.

Mr. Dobberstein stated in the original discussion on the funding of these two facilities the possibility of bonding the projects was investigated and he asked Attorney Stewart to give some details on why that was not possible.

Attorney Stewart stated we were not able to issue tax exempt bonds to fund the projects because the use of the buildings was of a private nature.

Mr. Myers asked if this board has the authority to incur that type of debt or does that have to be the City of Fargo.

Attorney Stewart indicated both entities would be involved.

Gen. Macdonald referred to a communication from Mayor Lindgren dated June 8, 1987, discussing the financing options for the construction of Hangar 9 leased to the National Guard Bureau. The options presented in this letter were; 1) for the Airport Authority to use its reserve funds for construction, 2) the City could loan funds to the Airport Authority for the term of the lease in which case the interest rate would be linked to the T bill rate, 3) a combination of Airport Authority and City Funds, or 4) let the private sector own and build the facility.

Mr. Pawluk stated he is not concerned about the legal aspect because we are already doing this. He stated he feels the question is does the Authority want to underwrite and encourage the expansion of this airport at no cost to the Authority, since everything that we put out will be paid back.

Mr. Myers asked if this money is not available in the private sector.

Mr. Pawluk stated he feels it probably is available in the private sector but we are looking at spending \$2 million on an air cargo apron with the hope that something will happen and here we have a business that is growing and we have an opportunity to be the catalyst to make that happen or we can close the door and tell them they are on their own. He stated this board has helped get a business going on the airport that has created 37 jobs and they are asking us to continue to a certain degree with the same type of program.

Gen. Macdonald asked Mr. Sweeney if he has looked into some of the state funding available for economic development. He added that if the Airport Authority does decide to finance this project WMI is not going to get the same low interest rate.

Mr. Pat Sweeney was recognized and stated they originally came in and asked for the Airport Authority's assistance with the entire project but the Airport Authority wanted to see some commitment from WMI so they funded the administration building themselves. Mr. Sweeney stated a comment was made earlier that this is WMI's third project but this is simply a continuation of their original project. He added that they did get assistance from the Bank of North Dakota, the SBA, and Fargo Cass County Economic Development but at a higher interest rate than the hangar facility. He stated they plan to see their business continue to grow.

Mr. Sweeney stated there are other financing options available but if one operator received financing at a lower rate than the other, one operator is put at a disadvantage.

Mr. Dobberstein stated the Airport Authority has a number of proposed projects to be funded from the Airport Improvement Fund and it comes down to the Authority setting its priorities and how they want to spend the funds. He stated we do have to consider that we have to cash flow expenditures for the air cargo apron until we are reimbursed by the government. He stated if we move ahead with the northeast general aviation

Received Communication from Weather Modification, Inc. Regarding Phase II Hangar Construction: (Continued)

ramp expansion this year we need to remember that our PFC funding comes in at only about \$55,000 per month and we would have to pay the contractors from our own funds until those PFC funds are received.

Mr. Myers stated he feels the Airport Authority should support business but not subsidize business and it is his opinion this would be a subsidy. He stated if we approve this request he wonders where it will stop.

Gen. Macdonald suggested we see if the City of Fargo has the money to loan to the Airport Authority to in turn loan to WMI.

Mr. Myers asked what would happen if the Airport Authority financed this project and then our PFC funds dried up. He added that then if this loan was not repaid the Airport would have to get an operating loan to operate the airport. Mr. Myers stated we need to keep in mind that the future of federal funding is insecure and we need to be good stewards of the public funds.

Gen. Macdonald stated if we are comfortable that this is legal and if we could participate with WMI in the project up to the point we have assisted Valley Aviation, where would we get the funds. He stated the second question is was there an inequity in the assistance to these two parties and if so, how do we level the playing field.

Mr. Myers stated the Airport Authority also loaned WMI \$80,000 to build a fuel farm. He asked if we are obligated to loan Valley Aviation the same type of fuel farm? Mr. Pawluk stated the request has been received and filed and he does not want to see us close the door on this. He stated he would like to see Mr. Dobberstein and Attorney Stewart work on some possibilities on how we could finance this.

Gen. Macdonald stated if the Authority gave Valley Aviation \$1.23 million and gave WMI \$630,000 for their hangar and \$80,000 for a fuel farm, do we still owe WMI \$520,000?

Mr. Pawluk stated he feels it is important to make it clear that the Airport Authority has not given any one anything, we have either loaned them money or leased them property.

Mr. Myers stated he would like to know what benefit it would be to WMI to finance this project through the Airport Authority rather than the private sector and how much they would be saving. He stated the first question we should ask is can WMI get financing for this project in the private sector and if not, why not? He stated he would need answers to both of those questions before he would be able to make any decision.

Mr. Pat Sweeney stated they feel Fargo Jet Center is a major FBO in Fargo and they are continuing to grow. He stated what we are talking about today is expansion of hangar space. Mr. Sweeney stated the discussion this morning has included equity and economic development. He stated he feels Fargo Jet Center is at a disadvantage because they are leasing only 12,000 square feet of Airport Authority owned hangar space and the Valley Aviation group leases in excess of 40,000 square feet of hangar space from the Authority. He stated basically what they are asking for is more hangar space provided by the Airport Authority.

Mr. Sweeney stated general aviation on the airport is growing and that is a result of economic development by both operators on the airport and he does not see it slowing down.

Chairman Stanton directed Mr. Dobberstein to obtain the information request and report back at the next meeting.

Other Business:

Mr. Pawluk stated he still has some questions he would like answered on the location of the air cargo apron.

Gen. Macdonald suggested Mr. Pawluk meet with Mr. Dobberstein and Mr. Schon to go over in detail the location of the cargo apron.

Chairman Stanton appointed a committee of Mr. Myers and Mr. Pawluk to work with Attorney Stewart and Mr. Dobberstein to review and redefine the fee structure in the FBO operating leases.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the Special Meeting to be held Thursday, January 9, 1997 at 2:00 p.m.

Second by Mr. Myers.

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

Time at adjournment was 11:45 a.m.

The Annual Meeting of the Municipal Airport Authority will be held Wednesday, January 22, 1997 at 9:00 a.m. in the Airport Boardroom.

Special Meeting

Thursday

January 9, 1997

A Special Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Thursday, January 9, 1997 at 12:00 p.m. in the City Commission Room due to adverse weather conditions.

Present: Macdonald, Myers, Stanton

Absent: Gallagher, Pawluk

Others: Stewart, Shawn Barney

Chairman Stanton presiding.

Reviewed Assignment of Lease and Amendment to Lease Agreement Between the Municipal Airport Authority, Dakota Aero Tech, Inc., and Fargo Aero Tech, Inc.:

Attorney Stewart stated he prepared an assignment of lease and amendment to the Dakota Aero Tech, Inc. FBO lease with the Municipal Airport Authority. He stated he also prepared an assignment of other two leases (Eastside Terminal and old maintenance shop lease) to Fargo Aero Tech, Inc. He stated he has looked at the proposed sale agreement and there is not money involved in the purchase, it is just an assignment of debt. Accordingly he prepared some promissory notes as well as an assignment of proceeds of certain insurances, as suggested by Mr. Barney, son and Power of Attorney for Yvonne Barney. Mr. Stewart added that he feels we are as secure as we can be under the circumstances.

Mr. Myers stated if not for the extenuating circumstances with Mrs. Barney's illness he would have required the sale be contingent upon the presentation of a business plan, long range plan, etc. by the purchaser, Fargo Aero Tech.

Mr. Barney stated he would get ahold of Fargo Aero Tech's attorney, Mr. Anderson, and advise him of the Authority's request. He stated it is his understanding that they are going to temporarily close the school until such time as the enrollment is substantial enough for a profit.

Mr. Myers stated it is his understanding that Mr. Barney turned down a cash offer of \$285,000.

Mr. Barney stated he did receive another offer but that was not his understanding of the offer.

Mr. Myers stated his concern is the debt owed to the Airport Authority and if there was a cash offer he feels the Airport Authority's debt should be satisfied quickly.

Mr. Barney stated the purchase is taking over the notes at the bank as well as \$25,000 of the debt to the Airport Authority. He stated he is taking over the receivables and payables as of the date of the sale.

Attorney Stewart stated he had the same concerns but after reviewing the letter of intent it is a take over of debt. He stated \$25,000 of the debt owed to the Airport Authority will be taken over by the purchaser with the balance to be personally secured and paid by Mr. Barney.

Mr. Myers stated if your legal counsel feels we are covered he is satisfied.

Reviewed Assignment of Lease and Amendment to Lease Agreement Between the Municipal Airport Authority, Dakota Aero Tech, Inc., and Fargo Aero Tech, Inc.: (Continued)

Mr. Myers moved the Airport Authority execute the agreement prepared by our legal counsel allowing Dakota Aero Tech, Inc. to transfer or sell the business to Fargo Aero Tech.

Second by Macdonald.

Gen. Macdonald asked for a clarification of Paragraph 4 in the operating lease.

Attorney Stewart stated the intent of Paragraph 4 is that the items in the existing lease be renegotiated at this time rather than the renewal date of the lease. The items included are those discussed at the January 8 Airport Authority meeting and recent meetings discussing clarification of what is included in the 1 1/2% lease fee.

Gen Macdonald stated it is his understanding that it is up to the Airport Authority what is covered under the 1 1/2% payment to the Airport Authority.

Attorney Stewart stated that is correct but the question has been raised by other FBOs and the matter needs review and clarification by the Airport Authority.

Chairman Stanton called for a vote on the motion.

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

Absent and not voting: Gallagher, Pawluk

The motion was declared carried.

Appointed Shawn Dobberstein Executive Director of the Municipal Airport Authority:

Chairman Stanton thanked the search committee (Gen. Macdonald and Mr. Myers) for all of their time and effort to review the 49 applications received as well as arranging for the interviews, etc.

Mr. Myers moved the Airport Authority name Mr. Shawn Dobberstein Executive Director of the Municipal Airport Authority of the City of Fargo, that his salary be determined by the Airport Authority in accordance with the guidelines established by the City of Fargo, and that he also be subject to the standard 12 month probationary period with a performance evaluation at the end of that period.

Mr. Myers added that he is confident that Mr. Dobberstein is capable of the position or he would not be making the motion to appoint him.

Chairman Stanton relinquished the chair to Vice Chairman Myers and seconded the motion.

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

Macdonald passed his vote.

Absent and not voting: Gallagher, Pawluk

The motion was declared carried.

The chair was returned to Chairman Stanton.

Gen. Macdonald stated his position was spelled out yesterday following the interviews and he met with Mr. Dobberstein privately. He stated he has the utmost confidence in him although there are some things that concern him, but the one year probation will sort some of those out. Gen. Macdonald stated he will work with Mr. Dobberstein the best he can to make his job easier. He stated the fact that Mr. Dobberstein has had limited experience and that experience was gained under only one individual concerns him but the majority has spoken and Mr. Dobberstein has his complete and undying support.

Mr. Myers moved Mr. Dobberstein be directed to execute an immediate search for an assistant, using the same qualification requirements used when this position was created, with three names to be submitted to the Airport Authority.

Second by Gen. Macdonald.

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

Gen. Macdonald stated he would like to clean up the job description and title.

Appointed Shawn Dobberstein Executive Director of the Municipal Airport Authority:
(Continued)

He stated he would like to see another title more fitting than Administrative Assistant, such as Deputy Director or Operations Manager.

Gen. Macdonald stated he is still disappointed in the Airport Authority for not stepping up to the City and demanding a reevaluation of the salary range for the position.

Mr. Myers stated he does not feel the salary range is in the administrative level.

Gen. Macdonald suggested that the Chairman of the Airport Authority needs to request an opinion of the Attorney General to clearly define the Airport Authority's position in relation to the City of Fargo and the City Commission.

Chairman Stanton stated she does not have a problem with the Airport Authority's relationship with the City but she does have a problem with the salary range for this position.

Gen. Macdonald stated we need a clear definition of the Airport Authority's autonomy as we do not want to step on the City Commission but at the same time we do not want the City Commission stepping on the Airport Authority.

Chairman Stanton stated she will arrange a meeting with Mayor Furness and the Airport Authority for discussion on the relationship between the Airport Authority and the City Commission. She added she feels there has always been great cooperation between the Airport Authority and the City of Fargo.

Gen. Macdonald stated he is not saying there is any division between the two be we need a clear definition of the Airport Authority's responsibilities and where they end, as well as the City Commission's and where they end.

Gen. Macdonald moved the Airport Authority direct Attorney Stewart to get an opinion from the Attorney General and the relationship between the Municipal Airport Authority and the City of Fargo and a clear definition of what an appointing authority has over an Airport Authority.

Second by Mr. Myers.

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

Mr. Myers stated he would like the record to show that there are no problems at this time but there are potential issues on the horizon.

Gen. Macdonald moved to adjourn the Special Meeting of the Municipal Airport Authority until the Annual Meeting to be held Wednesday, January 22, 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 12:37 p.m.

Annual Meeting

Wednesday

January 22, 1997

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, January 22, 1997, at 1:00 p.m. in the Airport Boardroom despite a blizzard.

The members present or absent were as follows:

Present: Gallagher, Myers, Pawluk, Stanton

Absent: Macdonald

Others: None

Chairman Stanton presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 8, 1997 and the Special Meeting Held January 9, 1997:

Mr. Gallagher moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 8, 1997 and the special meeting held January 9, 1997.

Second by Mr. Myers.

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

Approved the Airport Vouchers Totaling \$74,376.09:

Mr. Gallagher moved to approve the airport vouchers totaling \$74,376.09.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

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

Approved the Individual Voucher to Foss Associates:

Mr. Myers moved to approve the individual voucher in the amount of \$216.09 to Foss Associates for Payment Request for professional services in connection with the Eastside Terminal Roofing Project.

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. Myers moved to approve the individual voucher in the amount of \$3,625.00 to Northern Improvement Company for Payment Request for rental of crane for jetway incident (submitted to insurance carrier for reimbursement.)

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 Valley Movers:

Mr. Myers moved to approve the individual voucher in the amount of \$6,000.00 to Valley Movers for payment request for removal of disabled jetway (submitted to insurance carrier for reimbursement.)

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 Ulteig Engineers, Inc.:

Mr. Myers moved to approve the individual voucher in the amount of \$13,495.86 to Ulteig Engineers, Inc. for Partial Payment Request No. 1 for engineering services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

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. Myers moved to approve the individual voucher in the amount of \$4,026.00 to Northern Improvement Company for Payment Request No. 1 (Final) for the completion of the ASOS asphalt road for the National Weather Service (MAA to be reimbursed by NWS.)

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 Statements of Operation for the Months of October and November 1996:

Mr. Gallagher moved to receive and file the Statements of Operation for the Months of October and November 1996.

Second by Mr. Pawluk.

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

Received Communication from North Dakota State Fire and Tornado Fund Regarding Insurance Coverage on Hangars 3 and 4:

Mr. Dobberstein stated he received a communication dated January 21, 1997, from the North Dakota State Fire and Tornado Fund regarding insurance coverage for Hangars 3 and 4. He stated their letter indicated that since both of these structures are unacceptable risks in their current condition, the Fund is adding three additional exclusions by endorsement. The endorsement reads as follows:

We will not pay for loss or damage caused directly or indirectly by any of the following:

- 1) The weight of snow, ice, sleet or hail
- 2) Force of wind or hail
- 3) Thawing of snow, sleet or ice

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Received Communication from North Dakota State Fire and Tornado Fund Regarding Insurance Coverage on Hangars 3 and 4: (Continued)

Mr. Myers asked if our new liability insurance carrier is aware of the present condition of the two hangars and requested Mr. Dobberstein obtain written confirmation from our liability insurance carrier that we would be covered for any liability losses should one of those hangars collapse.

Mr. Dobberstein stated he will get that information in writing from the liability carrier.

Mr. Myers stated rather than going through a major overhaul on those buildings he feels some temporary shoring on the one beam would address the concerns.

Mr. Myers moved to receive and file the communication from the North Dakota State Fire and Tornado Fund and that the Airport Authority direct Mr. Dobberstein and Attorney Stewart to request from the liability insurance carrier written confirmation that liability losses involving those structures would be covered.

Second by Mr. Gallagher.

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

Received Update on Airport Operations During Winter Storms:

Mr. Dobberstein stated Chairman Stanton requested this item be on today's agenda in response to recent letters to the editor in The Forum. Two of these letters indicated some problems at the airport and the third was a response from the manager of The Barnstormer.

Mr. Dobberstein stated he requested representatives of all of the building tenants be present at today's meeting to answer questions and provide input, as there are always two sides to every story. He stated he has not yet responded to these letters publicly as he did not feel it would be in the best interest of the Airport Authority to rush into a response but rather consider a joint response from all parties involved.

Mr. Myers stated sometimes no response is the best option.

Mr. Dobberstein explained that technically, in terms of closing the airport, we do not close the airport. He stated that even though the airlines may cancel their flights because they cannot operate, the general aviation and freight pilots often continue to operate and we must provide the necessary service for them to be able to operate.

Chairman Stanton stated she feels the Authority needs to respond to these letters. She stated she does not want it to be the public's opinion that the airport does not have plans for emergency situations.

Mr. Pawluk asked Mr. Dobberstein if he felt there was validity to any of these complaints.

Mr. Dobberstein stated in the January 4 storm there was a point where there was no taxi service available nor hotel shuttle service due to no travel being advised, and the restaurant and giftshop were closed later in the evening. He stated there were Northwest Airlines employees on duty to answer questions for those people in the terminal. He stated he does not want to get in a position where he is mandating that employees stay on duty and he does not believe the Airport Authority wants to do that.

Mr. Myers stated that he feels that we need to make sure that this facility is capable of handling people that arrive on flights but are not able to exit the airport because of severe weather. He stated he feels the solution is communicating with the people and making them aware of the weather conditions and doing what we can to accommodate them and it should be a combined effort.

Mr. Pawluk stated he feels the place for the preliminary relaying of that information should be from the captain on the flight. He stated people are generally accommodating if they know what is going on. He stated it is when they don't know what is going on that problems arise.

Received Update on Airport Operations During Winter Storms: (Continued)

Mr. Steve Dahl, manager of United Express, stated that in these situations they are operating under emergency conditions. He stated he has employees with commitments off the airport and it is not always possible to require them to stay.

Mr. Myers stated he feels everyone at the airport has been in place and doing a great job and this is a result of a small amount of miscommunication. He stated he feels the solution is to communicate directly with these individuals who wrote these letters and address their concerns.

Mr. Dobberstein stated he has attempted to contact these individuals but has not been able to reach them.

Mr. Pawluk stated this is not a unique situation and no matter in which airport you are stranded as a passenger you resent the fact that you are stuck in the terminal. He stated he would agree with the person who responded for the Barnstormer that he would much rather be stranded at Hector Airport than at the other airports at which he has been stranded.

Mr. Dobberstein stated it has been suggested that in situations such as these there be a portable vending machine available to roll out into the terminal area.

Mr. Myers stated he would like to set the record straight on the comment that the security people were selling pop for \$5 a can.

Ms. Kathy Steffan, manager of the Airport Giftshop, was recognized and addressed the matter of the security personnel selling cans of pop for \$5. She stated this was a joke made between a particular passenger and the security people and the person writing the letter apparently overheard this.

Mr. Myers stated he would be in favor of doing nothing as far as response but communicating with these individuals. He stated the only other suggestion is that even though we know what we are doing we could probably learn something from these comments.

Mr. Dobberstein stated the media has been very cooperative in making announcements on information we provide to them. He stated as soon as we are advised that flights have been cancelled a notice is faxed out to all of the media either by our office or the airlines.

Mr. Myers stated he feels it is important for the public to know that even though the airport is not closed and some flights are able to operate it may not be safe for people in vehicles to travel to the airport.

Chairman Stanton stated the public does not even understand that they need to heed the warnings issued by the police departments, sheriffs' departments and highway departments, how do we expect to educate them?

Mr. Pawluk stated we do not have control over that but we do need to see that people in the terminal are aware of the conditions outside and if they are stranded here we should do what we can to make them comfortable although that may not necessarily mean the restaurant will be open. He added that if we have people sleeping in the terminal they are the customers of the airlines as well as the airport and if that means using the blankets and pillows from the aircraft we should look at that.

Mr. Kurt Anderson, Northwest Airlines, stated there was a situation recently where Northwest Airlines did just that and provided blankets and every single one of 87 blankets disappeared.

Mr. Dobberstein stated he would have no problem with purchasing some blankets to have on hand. He added that there were extenuating circumstances the evening the restaurant closed early and that would have not happened in a normal situation. Mr. Dobberstein stated we have done well in the storms this year, we will continue to do well and will make some extra efforts in the area of communication.

Received Update from Obermiller Nelson Engineering on Cooling Tower:

Mr. David Obermiller, Obermiller Nelson Engineering, was recognized and stated the dampers were installed on the cooling tower yesterday and we are awaiting final connection of the controls by Honeywell. He stated it would have been finished if we had not had this blizzard today.

Mr. Obermiller stated in his review of the cooling tower he discovered a sensor in the cooling tower which should be relocated in order for the system to operate more efficiently. Mr. Obermiller stated he believes this sensor has been in that location since construction of the building and would recommend that sensor be relocated. He stated he has instructed Honeywell to add a new electrical device to read the sensor at a location closer to the building. He stated Mr. Heck was not available last week so he discussed this with technician Bob Suchan from Robert Gibb & Sons and he was in agreement.

Mr. Obermiller stated he would also recommend adding monitors to the existing pumps which actually feed the water around the heating system from the boiler and the cost should not exceed \$500.

Mr. Myers stated he feels we should proceed with that.

Mr. Dobberstein explained that after some recent problems with our mechanical system it became increasingly apparent that the reason for these particular problems was that two vendors were involved in the maintenance of the system (Robert Gibb & Sons for the mechanical portion and Honeywell for the control portion). At the request of Mr. Myers, Mr. Obermiller wrote a letter to both vendors expressing our concern over the discrepancies and that should these continue they would be held responsible for any failures in the system. Mr. Dobberstein stated we have met with both vendors and have now received a communication from Honeywell dated January 20, 1997, voluntarily cancelling our existing maintenance agreement for the temperature controls. He added that our agreement for the alarm monitoring system would remain in place. Mr. Dobberstein further stated that he is negotiating with Robert Gibb & Sons on revising their contract to take over the temperature control maintenance previously provided by Honeywell. He added that this was also a recommendation of Hartford Steam Boiler as a result of the tower freeze up last year.

Mr. Myers stated he feels good about the evaluation made by Mr. Obermiller and the modifications that have been made and is confident that we are getting to the bottom of the problems we have had. Mr. Myers suggested that we have a spare hot water pump on hand and also that Mr. Obermiller work with Ulteig Engineers in making certain that everything necessary to maintain our mechanical system is tied into our new generator.

Mr. Pawluk moved to receive and file the communication from Honeywell Inc. and that we proceed with the recommendations made by Mr. David Obermiller today.

Second by Mr. Myers.

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

Reviewed Draft Leases for West Winds Hangar Association and Big Blue Hangar Association:

Mr. Dobberstein distributed lease summaries for both the West Winds Hangar Association and also the Big Blue Hangar Association outlining the terms set by the Airport Authority at its meeting January 8, 1997. The new lease rate will be eight cents per square foot but will continue to be for the square footage of the building

Reviewed Draft Leases for West Winds Hangar Association and Big Blue Hangar Association:
(Continued)

only and will not include any buffer area around the hangar. The proposed lease will expire in 2004 to be consistent with other leases in the southeast general aviation area. Mr. Dobberstein stated this lease will increase by \$327.68 to an annual lease of \$1,310.72.

Mr. Dobberstein stated Attorney Stewart is also going to amend the lease to require a \$1,000,000 combined single limit for bodily injury and property damage. He stated most of the hangar owners have this amount of coverage now.

Mr. Pawluk moved approval of the concept as presented for the renewal of the leases for the West Winds Condominium Association and the Big Blue Hangar Association and that the insurance requirement be increased to a \$1 million combined single limit. Mr. Myers stated he has a problem with the discrepancies in the lease amounts in the southeast area and the northeast area. He stated the tenants in the northeast area are charged ten cents per square foot and required to lease the footprint of the building plus the buffer required by city code. He stated he does not know why the requirements in the southeast area are not the same as the northeast area.

Mr. Dobberstein stated the board had that option at the last meeting but took action to set the lease rate at eight cents per square foot for the size of the buildings only.

Mr. Myers stated this action simply continues to leave open a disparity among leases and he could not second this motion.

Motion was seconded by Mr. Gallagher.

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

Mr. Myers voted no.

The motion was declared carried.

Considered Settlement Offered by Insurance Carrier Relating to Jetway Incident and Damage to Hangar #2:

Mr. Dobberstein stated he received Proof of Loss Statements for both the jetway loss and the damage to Hangar #2. Mr. Dobberstein stated Mr. Tom Martin, Solberg Law Firm, has reviewed these statements. Mr. Dobberstein stated the adjuster has offered \$109,295.01 for the jetway damage

which includes all costs associated with removing the jetway, repairing the building, and the repair estimate from FMC Jetway in the amount of \$67,500, which would be the cost to restore the jetway to its condition prior to the incident.

Mr. Pawluk moved the Executive Director be authorized to sign the Proof of Loss Statement and request final payment from North Dakota State Fire and Tornado Fund.

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. Dobberstein stated he also received a Partial Proof of Loss Statement for the loss to Hangar #2, which is leased to the NDANG, in the amount of \$17,821.00 which covers the emergency repairs to the roof until permanent repairs can be accomplished. He stated Mr. Martin has reviewed this statement as well and has assured us that we are still covered for the remainder of the loss and the signing of this form does not close the door on our receiving the reimbursement for replacement of the roof.

Mr. Myers requested Mr. Dobberstein receive written confirmation that the signing of this Partial Proof of Loss Statement does not affect future collection on this loss.

Mr. Dobberstein indicated he would get written confirmation.

Considered Settlement Offered by Insurance Carrier Relating to Jetway Incident and Damage to Hangar #2: (Continued)

Mr. Pawluk moved the Executive Director be authorized to sign the Partial Proof of Loss Statement and request partial payment from North Dakota State Fire and Tornado Fund, subject to receiving written confirmation that this will not affect future collection on this loss.

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 ARC Laboratories, Inc. Regarding Eastside Terminal Roofing Project:

Mr. Dobberstein stated he requested a communication from ARC Laboratories, Inc. clarifying their test results in the Eastside Terminal and that although there may have been "asbestos contamination" there was no "asbestos exposure" to cause any health concerns or risk to the individuals in the building. He added that copies of this will be distributed to all parties concerned.

Mr. Myers moved to receive and file the communication from ARC Laboratories, Inc.

Second by Mr. Pawluk.

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

Considered Request from Civil Air Patrol to Relocate Office Space from Basement to Main Floor in Eastside Terminal:

Mr. Dobberstein read a communication from Mr. Neal Kovash, Civil Air Patrol Squadron 46, dated January 15, 1997, requesting that their squadron be allowed to occupy space on the main floor of the Eastside Terminal building at Hector Airport. They presently occupy space in the basement and they feel they could more comfortably meet their objectives if they could occupy space in one of the presently vacant areas on the main floor.

Mr. Dobberstein stated the area they have in mind is one of the classrooms vacated by Dakota Aero Tech known as Classroom C, across from the space occupied by the Experimental Aircraft Association. He stated they are aware that they would have to move back to the basement if the Airport Authority would require the space for a paying tenant. Mr. Dobberstein stated he has no problem with granting this request.

Mr. Myers stated he feels once they move it will be hard to get them to move back. He stated he feels we do not know what the future need will be for that space and if they are moving communications equipment it will be hard to get them to move back. He added he does not know what they would gain by moving upstairs.

Mr. Robert Hamilton was recognized and stated he would like the record to show that Valley Aviation donates hangar space to the Civil Air Patrol.

Mr. Pawluk indicated he does not have a problem granting this request with the understanding that they will have to move back downstairs should the Airport Authority require the space for another purpose.

Chairman Stanton stated as long as we go in with the understanding they may be required to move she would like to accommodate their request.

Mr. Pawluk moved the Executive Director be authorized to negotiate and approve the occupancy of the Civil Air Patrol in the space requested with the clear understanding that the Airport Authority reserves the right to reclaim the space if needed.

Second by Mr. Gallagher.

Considered Request from Civil Air Patrol to Relocate Office Space from Basement to Main Floor in Eastside Terminal: (Continued)

Mr. Myers stated he has a problem with these requests coming before the board and requiring a decision be made right away. He stated he would like to know the reason for this move and if they are really going to function better because of this move.

Mr. Pawluk stated he feels we have an Executive Director who has the ability to make a lot of these decisions and he does not feel it should be the position of this board to micromanage everything that goes on at the airport. He stated Mr. Dobberstein has made the recommendation and the CAP has the understanding that they may be required to vacate the space at any time.

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

Mr. Myers voted no.

Absent and not voting: Macdonald

The motion was declared carried.

Mr. Myers stated his comments have nothing to do with the Civil Air Patrol and their function. He feels they do a great service.

Received Communication from Mayor Furness Forwarding Letter from Dr. Clif S. Hamilton:

Mr. Dobberstein stated we received a communication dated January 20, 1997 from Mayor Furness forwarding a letter he received from Dr. Clif S. Hamilton, Valley Aviation, dated January 9, 1997.

Dr. Hamilton's letter indicated that on January 8, 1997, the Airport Authority received a request from JP Development for public funds totaling \$1.4 million to construct an aircraft hangar for private enterprise. In his letter, Dr. Hamilton indicated it is their understanding that public funds used in loans for private enterprise, especially those that are used for competitive reasons, are illegal in North Dakota. Fargo Jet Center is in direct competition with Valley Aviation for fuel sales, hangar customers, aircraft maintenance and aircraft charter. He further indicated that Valley Aviation is strongly opposed to any type of public financing for private competitive development in the new general aviation area at Hector Airport. They feel that JP Development should obtain private financing of his own accord if he wishes to be more competitive with Valley Aviation.

Mr. Pawluk asked Mr. Robert Hamilton to comment on the letter.

Mr. Robert Hamilton was recognized and stated he did not sign the letter and his father is out of town until next month.

Mr. Pawluk moved to receive and file the communications from Mayor Furness and Dr. Clif Hamilton.

Second by Mr. Myers.

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

Discussed Salary Range for Executive Director:

Chairman Stanton stated this item was inadvertently not included on the agenda but needed to be discussed today.

Mr. Myers stated the Airport Authority members received information on the salary range for the position of Airport Director and he reviewed this with the Human Resources Director. He stated it is the City's policy to increase an employee's salary by three percent when there is a promotion. He stated following the normal procedure Mr. Dobberstein would be promoted from his previous C42 Step 6 to D63 Step 1 but he is recommending the Airport Authority request D63 Step 2. He stated Mr. Sorenson indicated he did not feel we would have any problem getting this request approved. Mr. Myers stated that he feels we are close enough to the schedule that this will not upset any other position in the system.

Discussed Salary Range for Executive Director: (Continued)

Mr. Myers moved the Airport Authority request Mr. Dobberstein be placed in D63 Step 2 as a result of his promotion to Executive Director.

Second by Mr. Gallagher.

Chairman Stanton stated she personally feels the position is worth more than that. Chairman Stanton stated she feels there are a lot of inadequacies in the City pay scale.

Mr. Pawluk stated he did not feel this amount is adequate for the position. He stated considering the process we went through to find candidates for the position and considering we hired the best candidate for the position he feels the salary should be higher.

Mr. Myers stated he does not like the fact that the Airport Authority is forced with having this discussion at this time but due to civil service requirements our hands are tied.

Chairman Stanton stated the position of Airport Director carries tremendous responsibility and deserves a higher salary range.

Mr. Myers stated he would like the record to show that it is very difficult for him, as an Airport Authority member, to try and hire someone for a position and to say to him that even though he is worth more we can't pay him more.

After further discussion, Mr. Gallagher withdrew his second to the motion.

Mr. Myers withdrew his motion.

Mr. Myers moved the Airport Authority recommend Mr. Dobberstein be placed in pay classification D63 Step 3 at \$44,540.

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.

Elected Mr. Tracy Myers Chairman of the Municipal Airport Authority for Calendar Year 1997, As Per Bylaws:

Mr. Gallagher moved to elect Mr. Tracy Myers Chairman of the Municipal Airport Authority for calendar year 1997, as per bylaws.

Second by Mr. Pawluk.

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

Elected Gen. A.P. Macdonald Vice Chairman of the Municipal Airport Authority for Calendar Year 1997, As Per Bylaws:

Mr. Myers moved to elect Gen. A.P. Macdonald Vice Chairman of the Municipal Airport Authority for calendar year 1997, as per bylaws.

Second by Mr. Pawluk.

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

Adopted Resolution of Appreciation to Outgoing Chairman of the Municipal Airport Authority, Mrs. Jeannette Stanton:

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

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

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

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

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

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

Second by Mr. Gallagher.

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

Other Business:

Mr. Robert Hamilton, Valley Aviation, was recognized and stated he started working on the southeast side of the field in 1985. He stated as far as the condition of Hangars 3 and 4 and snow build up on the roofs, with the wind conditions at the airport the snow normally blows off the roof and you can see black most of the time. He stated in 1987 both hangars were reroofed and the rotted roof deck was replaced. He stated he commends Mr. Myers for his efforts in making sure the hangars are safe and proper insurance coverage is provided but he feels the hangars are structurally sound.

Mr. Pawluk moved to adjourn the Annual Meeting of the Municipal Airport Authority until the next regular meeting held Wednesday, February 5, 1997 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 2:38 p.m.

Regular Meeting

Wednesday

February 5, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Wednesday, February 5, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Stanton, Pawluk, Myers

Absent: Macdonald

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 22, 1997:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held January 22, 1997.

Second by Mr. Gallagher.

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

Approved the Individual Voucher to Air Mechanical:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,400.00 to Air Mechanical for Payment Request No. 1 for the installation of cooling tower louver system.

Second by Mrs. Stanton.

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. Dobberstein indicated we are withholding \$500 until the final item on the project has been finished and that cannot be accomplished until spring.

Received Communication from Fargo Aero Tech Releasing All Eastside Terminal Space:

Mr. Dobberstein read a communication from Fargo Aero Tech dated January 31, 1997, requesting they be allowed to release all leased space in the Eastside Terminal effective March 1, 1997.

Mr. Gallagher moved to receive and file the communication from Fargo Aero Tech and that their request be approved.

Second by Mr. Pawluk.

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

Approve Request from Airborne Express to Lease Additional Space in Eastside Terminal:

Mr. Dobberstein stated we have received a request from Airborne Express to lease some additional space in the Eastside Terminal (two offices formerly occupied by Dakota Aero Tech) to be used as storage area. This is a total of 282 square feet for an additional \$1,692.00 per year.

Approve Request from Airborne Express to Lease Additional Space in Eastside Terminal:
(Continued)

Mrs. Stanton moved to approve the request of Airborne Express for additional space in the Eastside Terminal and that Attorney Stewart be authorized to draft an amendment to their lease.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved Request from Federal Aviation Administration to Lease Additional Space in the Eastside Terminal:

Mr. Dobberstein stated we have received a request from the Federal Aviation Administration to lease an additional 900 s.f. of office space on the first floor of the Eastside Terminal for their Flight Standards District Office. He stated we have been waiting quite a while for this official request from them and they now plan to move in March 1. He added that he would recommend the board approve this request.

Mr. Pawluk moved to approve the request from the FAA/FSDO to lease additional space in the Eastside Terminal.

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.

Approved Purchase of Copy Machine for Administration Office:

Mr. Dobberstein stated we received proposals for two different copy machines from our current supplier, Liberty Business Systems. He stated we have looked at both machines and recommend the purchase of the Mita DC 2355 in the amount of \$4,454.00 and the optional 10 bin sorter for \$675.00 for a total \$5,129.00.

Mrs. Stanton moved to approve the purchase of the Mita DC 2355 copier and sorter in the amount of \$5,129.00.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received Communication from the FAA Bismarck Airports District Office Regarding Proposed Soccer Complex:

Mr. Dobberstein stated we received a communication dated January 21, 1997 from the FAA Bismarck Airports District Office regarding our request to lease airport properties to the Red River Soccer Club for a proposed soccer complex. In her letter, Irene Porter indicated they have reviewed our request and have no objection to leasing either of the two locations identified on the submitted Exhibit A for non aviation activity, provided the following:

1. The lease agreement not be longer than 20 years with options for two five year extensions
2. The primary purpose of the land is preserved
3. The concurrent use of the property should generate fair market value revenue.
4. The Airport Layout Plan be updated to reflect the concurrent land use.

Received Communication from the FAA Bismarck Airports District Office Regarding Proposed Soccer Complex: (Continued)

5. To minimize future environmental considerations imposed on the conversion of land used for parks and other recreational uses by a transportation agency, the lease agreement should indicated that the recreational use of the land is temporary in nature.
6. Any above ground construction associated with the soccer complex shall be submitted on an FAA Form 75 460 1 to our office for airspace analysis.

Chairman Myers stated if the soccer group understands all of these conditions then the next step is for the group to meet with Mr. Dobberstein and decide which location would be best. He stated he feels the site to the north would be the best option.

Mr. Pawluk stated he feels it is less likely that the site to the north would be disturbed but if they prefer the site to the west he would have no problem with that as long as they understand if the Airport Authority has another use for they land they will be required to leave.

Mr. Brad Wimmer was recognized and stated their number one priority would be longevity. He stated they understand their is no guarantee in either spot but they would probably be willing to gamble with the spot the Airport Authority feels would be left alone the longest. He stated there are advantages to both spots but their first choice would be to the west, although the field designers feel the north area would be the best for accommodating the fields.

Mr. Dobberstein stated he feels the next step would be to get a more formal drawing from the soccer group on their proposed designs for each site.

Mr. Pawluk asked Mr. Schon to make any comments he may have.

Mr. Wes Schon stated the Airport Master Plan shows some expansion to the north but that will be some time before anything happens. He stated that the site to the west is limited in development directly related to aircraft because the county drain causes a barrier.

Mr. Wimmer stated they will go back to the Park Board and develop some formal drawings and decide on a site as they would like to start development this spring.

Mr. Myers stated he feels the Airport Authority's long range plan to move the car rental facilities west of the terminal and he feels it is inevitable that will happen. He stated it will definitely save the car rental agencies money rather than running their cars to facilities on the other side of the airport for service. He suggested Mr. Dobberstein start some preliminary conversations with the car rental agencies on a condominium style service facility.

Mrs. Stanton moved Mr. Dobberstein be authorized to work with representatives of the Red River Soccer Club on a mutually agreeable site for their soccer facility and come back to the Airport Authority for final approval.

Second by Mr. Pawluk.

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

Considered Purchase of National Weather Service Surplus Property from GSA Federal Supply Service Bureau:

Mr. Dobberstein stated he received a telephone call and follow up fax from Linda Engman, the manager of the North Dakota State Agency for Surplus Property advising of some property which was declared surplus by the National Weather Service. These items include a 60' Steel Radar Tower, a 35 kw generator and enclosure for the generator. Mr. Dobberstein stated when we first learned that the National Weather Service was going to be closing their office in Fargo and taking their radar out of service Mr. Parmer wrote a letter to the National Weather Service requesting this equipment be turned over to us.

Considered Purchase of National Weather Service Surplus Property from GSA Federal Supply Service Bureau: (Continued)

Mr. Dobberstein stated the main reason we want this tower structure is to have a place for our airport beacon should the old tower be demolished at some time in the future. He stated the value of the property is approximately \$20,000 \$30,000 and the National Weather Service will give it to us for nothing but the state requires a \$300 administrative fee. Mr. Dobberstein stated he would recommend the Airport Authority acquire this property.

Mr. Pawluk moved the Executive Director be authorized to acquire the described surplus property for the \$300 administrative fee to the north Dakota State Agency for Surplus Property.

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.

Received Communication from Fargo Fire Department Regarding Annual Facility Inspection:

Mr. Dobberstein stated John Arens from the Fargo Fire Department conducted an annual inspection of the Westside Terminal, Maintenance Shop and Eastside Terminal on December 31, 1996. He stated we received his report dated January 8, 1997 and all of the items have been corrected with the exception of the fusible link on the overhead door for United's luggage conveyor. Mr. Dobberstein stated apparently this door did not include a fusible link although the serial number for the unit does indicate a fusible link was included. He indicated we have received an estimate from Overhead Door in the amount of \$1,330 for the installation of a new door.

Mr. Myers stated he feels the \$1,330 estimate is too high as all that should be required is adding the fusible link to the existing door. He suggested Mr. Dobberstein talk to Bill Biggerstaff from Overhead Door.

Mr. Myers stated Item #4 of this report disturbs him (fire door between the tug concourse and the offices of Northwest was held open). Mr. Myers stated the agents at the ticket counter complain about being cold when this door remains open and the building system is designed to build up pressure when the doors are closed so when the doors are open we are not able to build up any pressure. He stated that having that door remain open is also a violation of the fire code as that door separates the potential for fire in the tug concourse and the rest of the building. Mr. Myers stated this item has been on the fire inspection report more than once and he asked Mr. Dobberstein to get the matter resolved.

Mr. Myers noted that Items 1 4 for the terminal building are repeats from last year and this is final notice from the Fire Department on these items. Mr. Arens indicates that failure to comply will result in legal action.

Mr. Dobberstein stated he talked to Mr. Arens yesterday and he is satisfied that we are progressing on these items, with the exception of the baggage door.

Mr. Pawluk moved to receive and file the communication from Mr. John Arens, Fargo Fire Department.

Second by Mrs. Stanton.

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

Approved Concrete Paving Specifications for Dr. Hamilton's T Hangar (Installed by KBW at Dr. Hamilton's Expense):

Mr. Dobberstein stated we have received a drawing along with specifications from KBW for the concrete apron around Dr. Hamilton's T hangar. He stated he has provided Mr. Wes Schon, Ulteig Engineers, with this information.

Approved Concrete Paving Specifications for Dr. Hamilton's T Hangar (Installed by KBW at Dr. Hamilton's Expense): (Continued)

Chairman Myers asked Mr. Schon his opinion on this project.

Mr. Schon stated pouring concrete in the winter is not something they recommend doing but there are some factors involved that have led them to this decision.

Chairman Myers stated that if the Airport Authority approves these plans and specifications it does not mean we agree this is the best time of the year to pour this and we accept no responsibility for the concrete.

Mr. Robert Hamilton was recognized and stated KBW will be enclosing the area for three to five days before the concrete is poured to get the frost out of the ground. He stated Valley Aviation has an agreement with United Express and they need to provide hangar space for them by a certain date and they need to get this project completed. He stated they feel confident the concrete will hold.

Mr. Pawluk moved to approve the concrete paving specifications for Dr. Hamilton's T Hangar submitted by KBW Associates, Inc., noting the Authority's concern about pouring the concrete in the winter.

Second by Mrs. Stanton.

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

Considered Airport Facilities Development/Construction Guidelines Document:

Mr. Dobberstein stated the Airport Authority has discussed putting together some written guidelines that could be presented to a developer or someone wishing to build a hangar on the airport which would spell out what is required of them. He stated he has put together a draft of these guidelines which has been reviewed by both Attorney Stewart and Mr. Wes Schon.

Mrs. Stanton moved to receive and file the draft of the Airport Facilities Development Construction Guidelines and review for comment at the next meeting.

Second by Mr. Gallagher.

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

Received Communication from Robert Gibb & Sons Regarding Westside Terminal Mechanical and Temperature Controls Systems:

Mr. Pawluk moved to accept the maintenance agreement offered by Robert Gibb & Sons for HVAC and Temperature Control Maintenance.

Second by Mr. Myers.

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

Absent and not voting: Macdonald

The motion was declared carried.

Chairman Myers asked Mr. Dobberstein to see that the transition from Honeywell to Gibb is an orderly one.

Discussed 1997 Airport Construction Projects:

Westside Terminal Generator:

Mr. Joel Kath, Ulteig Engineers, was recognized and gave a summary of the Westside Terminal Generator Project. Mr. Kath stated we are now in the final installation phase of the project and the new generator should arrive February 17. He stated they are looking at a March 1 startup and final acceptance. He stated the project has gone according to plan so far with no surprises. He stated the old generator will be moved to the maintenance shop for temporary storage. He stated he will work with Mr. Dobberstein on investigating the options for making that generator portable.

Discussed 1997 Airport Construction Projects: (Continued)

Mr. Dobberstein stated the City might be willing to offset some of the cost for making that generator portable if they know they will be able to use it.

Mr. Kath suggested the 35 kw generator the Airport Authority will be getting as surplus property from the National Weather Service be tied into the Maintenance Shop to operate the overhead doors in the event of a power failure.

Air Cargo Apron:

Mr. Dobberstein stated the Airport Authority has committed its 1997 and 1998 entitlement funds for the construction of the air cargo ramp. He stated our goal is to open bids the first week of April and the Airport Authority needs to make some decisions so we can be specific in our bidding document. He stated he recommends that the bidding document prepared by Ulteig Engineers calls for a two year project with the prep work being done the first year and the paving be done the second year.

Mr. Wes Schon stated site preparation includes dirt work, water and sewer, grading, the access road, etc. He stated if the road were done this year and the developer were ready for a building next year we would at least have a road to the construction site.

Mr. Dobberstein stated based on his conversations with interested freight operators, he does not foresee an air freight company wanting to build this summer but now that they are aware of our development they will begin their planning and we could possibly see something in 1998.

Mr. Schon stated we will advertise the project in its entirety but phase it so that the apron paving will be done in 1998 but the contractor will be under contract for the entire project.

Mr. Dobberstein stated if we had \$3 million in our improvement fund he would have no problem doing the entire project this year but we have only a little over a million and we would be faced with cash flowing \$1 million worth of work until we are reimbursed by the FAA.

Mr. Schon stated the contract would be clear on the first phase of the project and the second phase would be accomplished either through a change order or a supplemental agreement. He stated then the Airport Authority is not obligated for anything more than it would want to spend in one calendar year.

Mrs. Stanton moved the Executive Director be authorized to proceed with the preparation of the bidding document and advertisement for bids for the air cargo apron project with the project to be accomplished in two phases over two years, limiting the expenditures in 1997 to the amount of our 1997 entitlement funds.

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.

NE General Aviation Ramp Expansion:

Mr. Dobberstein stated he would like the members of the Airport Authority to spend some time considering the options for expansion of the northeast general aviation area. He stated Ulteig has provided us with three options.

Mr. Schon reviewed the three options:

Option A \$1.13 million for 54 aircraft tiedown spaces
or \$20,500 per space

Option B \$905,000 for 26 tie down spaces, or \$34,800 per space

Discussed 1997 Airport Construction Projects: (Continued)

Option C \$1.14 million for 45 tiedown spaces, or \$25,400 per space

Option D over \$2 million (a combination of parts of A, B and C)

Chairman Myers stated the reason for the expansion of the ramp is the lack of space for Fargo Jet Center so extending the ramp to the south but retaining the same width would not solve the problem it would just compound the problem.

Mr. Dobberstein stated he would like the members to review the options and be ready to discuss this at the next meeting and make a decision.

Jetway:

Chairman Myers stated he would like to see our major jet carrier, Northwest Airlines, get interested in our plans to purchase a new, latest state of the art jetway. He stated he feels it makes sense to him to have that jetway located at Gate 1 so it can serve the greatest number of aircraft. He stated we have an opportunity to make this a class operation, second to none in the industry, and if we all work together we could do it.

Mr. Pawluk stated he feels we should find out what is in the best interest of Northwest Airlines with respect to a new jetway and make our decisions accordingly. He stated he feels a reasonable goal for us is to have a new jetway in operation by November 1997.

Chairman Myers stated he would like to see some dialogue with the airlines on this matter and a recommendation for the board at sometime in the near future.

Other Business:

Mr. Pawluk asked what United Express is doing to call attention to their new Chicago service.

Mr. Steve Dahl, United Express Manager, stated their marketing person is in Fargo this week and he is working with Mr. Dobberstein on details for their inaugural flight to Chicago.

Chairman Myers stated he talked to Mr. Joe Dill at The Forum again about printing an article in The Forum letting it be known that the airport is prepared for emergencies. He stated he is working on a meeting with all involved parties and a Forum reporter from which an article can be written.

Mr. Robert Hamilton, Valley Aviation, was recognized and stated he agrees that Fargo Jet Center needs more ramp space. He stated both FBOs are hangaring Brazillias for United Express and these are fairly large aircraft. He stated it is his feeling that if the Airport Authority delays expansion of the ramp, construction will only cost more in the future.

Chairman Myers stated he had a discussion with Attorney Stewart and Mr. Dobberstein on the liability exposure in Hangars 3 and 4, and Attorney Stewart suggested we correspond with Valley Aviation advising them of the liability issue and potential risk of storing aircraft in Hangars 3 and 4. He stated he would like to have something in writing so their insurance company is not coming back to us should an incident occur.

Chairman Myers also suggested that we proceed with the temporary shoring of the one problem beam in Hangar 3.

Other Business: (Continued)

Mr. Pawluk stated he is not interested in spending any money on repairs to these hangars if we plan to tear them down in the future.

Chairman Myers stated the Airport Authority has a lease on those hangars which does not expire until 2004.

Mrs. Stanton moved to authorize Mr. Dobberstein and Attorney Stewart to draft a letter to Valley Aviation advising them of the liability risks of storing aircraft in Hangars 3 and 4.

Second by Mr. Pawluk.

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

Mrs. Stanton moved Mr. Dobberstein be authorized to solicit a proposal and firm price from Foss Associates for the temporary shoring of the rotted beam in Hangar 3.

Second by Mr. Gallagher.

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

Pawluk voted no.

Absent and not voting: Macdonald

The motion was declared carried.

Mr. Pawluk reported that the Car Rental Subcommittee has had several meetings with the car rental agencies and the situation is at an impasse. He stated they feel they now have an understanding of the issues and it is his recommendation that the Authority take a hard line course on a resolution.

Chairman Myers asked for an update from the subcommittee at the next meeting.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, February 19, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Mrs. Stanton.

Time at adjournment was 10:47 a.m.

The Airport Authority will have only one meeting in March, and that will be Wednesday, March 19, 1997 at 9:00 a.m. in the Airport Boardroom.

Regular Meeting

Wednesday

February 19, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, February 19, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Stanton, Pawluk, Myers

Absent: None

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 5, 1997:

Mrs. Stanton moved to approve the minutes of the regular meeting of the Municipal Airport Authority held February 5, 1997.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$40,929.61:

Gen. Macdonald moved to approve the airport vouchers totalling \$40,929.61.

Second by Mr. Gallagher.

On the call of the roll, members Gallagher, Macdonald, Stanton, Pawluk and Myers 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 \$631.43 to Ulteig Engineers, Inc. for payment request for engineering service in connection with the Westside Terminal Generator, Study, Plans and Specifications.

Second by Mrs. Stanton.

On the call of the roll, members Gallagher, Macdonald, Stanton, Pawluk and Myers 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 \$306.52 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal Roofing Project.

Second by Mrs. Stanton.

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

Approved the Individual Voucher to Rickard Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$137,610.00 to Rickard Electric for the partial payment request for the installation of the Westside Terminal Engine Generator.

Second by Mrs. Stanton.

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

Approved the Individual Voucher to Ford Tractor of Fargo, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,033.00 to Ford Tractor of Fargo, Inc. for the purchase of a 961BTS Loftness 96" Single Auger Snowblower (MAA approved purchase 1 8 97).

Second by Mrs. Stanton.

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

Discussed Airport Facilities/Construction Guidelines Information:

The members were presented with a draft of the proposed Airport Facilities/Construction Guidelines at the meeting February 5 for review with action to be taken today. He added that the document has also been reviewed by Attorney Stewart and Mr. Wes Schon, Ulteig Engineers and their comments have been included.

Mr. Pawluk suggested the Airport Authority approve the document as it is presented today but that the document remain fluid and subject to change.

Chairman Myers stated these guidelines should spell out at what point in time a developer (lessee) will be required to pay the ground lease.

Attorney Stewart stated that information could be added. The Airport Authority could determine if the lease payments begin once the property is committed or once construction begins.

Mr. Pawluk stated the lease should state a specific effective date and rent on the property should begin as of that date, regardless of construction progress.

Chairman Myers stated he would like Attorney Stewart to do some further exploration on the legalities of the liability on the property. He stated he would like to see that cleaned up so it is clear in case of an accident on the property who is responsible.

Gen. Macdonald stated when an private individual buys a lot and does not plan to build right away he doubts very seriously that the seller would not require payment until the construction is completed.

Mrs. Stanton stated she has no problem approving the guidelines today with the understanding that Attorney Stewart will look into the matter of legal liability and effective dates of leases.

Mrs. Stanton moved the Airport Authority receive, file and approve the Airport Facilities/Construction Guidelines.

Second by Mr. Gallagher.

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

Chairman Myers stated the Airport Authority needs to adopt a policy that a lease is effective the date the land is committed.

Discussed Proposed Soccer Complex:

Mr. Brad Wimmer, Red River Soccer, was recognized and introduced other soccer representatives present: Wendell Hermann, Red River Soccer, Clay Whittlesey, Fargo Park District, Bob Medhus, Red River Soccer, Dwight Schroeder, F M Soccer Association, and Vic Pellerano, Fargo Park District.

Mr. Wimmer stated their intent today is to get approval from the Airport Authority to lease the site west of the terminal for a soccer complex. He stated there was a meeting of all parties last week and the group came to the conclusion that the west side is the preferred site. He stated they have also met with the residents in the neighborhood near the proposed site.

Mr. Vic Pellerano reviewed the proposed site plan showing the 12 soccer fields, ingress/egress, parking, etc.

Mr. Wimmer stated some of the other attractions of this site over the others is the fence, the shelterbelt and the drainage ditch. Mr. Wimmer stated they are looking for the Authority's approval so that they can move forward with development.

Mr. Gallagher asked if there are any security concerns for the airport.

Mr. Dobberstein indicated there were none.

Gen. Macdonald stated he would have no problem with this proposal as long as the Airport Authority retains the right to recapture the land at any time, so actually there would be no lease, and that when the Airport Authority exercises the right to recapture the property that it be returned to its original condition.

Mr. Pawluk moved the Airport Authority approve the concept as presented today by the Park District, with the stipulation that the finished project include a sign that designates the property is owned by the Airport Authority, and that the language on the sign be acceptable to the Airport Authority and maintained by the Park District.

Second by Gen. Macdonald.

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

Received Communication from GAB Robins Regarding Hangar #2 Roof Repair:

Mr. Dobberstein stated he received a communication from GAB Robins dated February 10, 1997, regarding the repairs to the roof on Hangar #2. He stated our claim for temporary repairs has been submitted and we will be receiving a draft in the amount of \$17,821, less the \$250 deductible.

Mr. Dobberstein stated as far as the roof replacement, the ND State Fire and Tornado Fund does not wish to be involved in the process as an administrator or contractor so it will be our responsibility to retain the services of an architect and contractor.

Chairman Myers suggested checking with the Guard to see if they would be willing to be involved in this process as they handled the previous reroofing project.

Mr. Pawluk moved to receive and file the communication from GAB Robins.

Second by Mrs. Stanton.

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

Authorized Advertisement to Receive Request for Proposals from Architectural Firms for Hangar #2 Replacement Project:

Mr. Dobberstein stated he discussed with Attorney Stewart the process we would need to follow for this project. He stated it is his understanding that we are obligated to go through the advertisement process.

Attorney Stewart stated if the NDANG put the roof on we should explore the possibility of having them administrate the project and the Airport Authority reimburse them.

Gen. Macdonald stated the Guard might be agreeable to that as long as it is on a reimbursable basis. He added that Federal guidelines for the project would be strict.

Authorized Advertisement to Receive Request for Proposals from Architectural Firms for Hangar #2 Replacement Project: (Continued)

Mr. Pawluk stated he feels the Guard should have some input in how the roof is constructed.

Mr. Dobberstein stated he has discussed this with Mr. Ron Solberg, Base Civil Engineer, and he has indicated the Airport Authority can repair the roof in the manner they wish.

Gen. Macdonald moved to authorize Mr. Dobberstein to advertise for bids for architectural services and that the Request for Qualifications be brought to the Airport Authority for selection.

Second by Mr. Pawluk.

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

Approved Automated Teller Machine (ATM) Lease Agreement with Norwest Bank of North Dakota:

Mr. Dobberstein stated the automated teller machine is negotiated as part of the City's banking contract.

Gen. Macdonald moved to approve the ATM lease agreement with Norwest Bank of North Dakota.

Second by Mrs. Stanton.

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

Received Communication from Paul Bernabucci Regarding Hangar Ground Lease Payment:

Mr. Dobberstein stated we sent an invoice to Mr. Paul Bernabucci for his hangar ground lease effective October 1, 1996. Mr. Dobberstein stated Mr. Bernabucci has not yet come out to sign his ground lease.

Mr. Dobberstein stated Mr. Bernabucci is still working with the FAA on an objection they have to his hangar which has to do with interference with their radar. He stated Mr. Bernabucci does have some building materials on the site and has had since August or September. He stated Mr. Bernabucci is looking for the Airport Authority to waive a portion of the ground lease.

Chairman Myers stated most right of refusals would require more money down than we have required.

Gen. Macdonald stated he would be against waiving the lease fee. He stated Mr. Bernabucci made a business deal and the Airport Authority has no control over the circumstances which delayed his construction.

Mr. Dobberstein stated Mr. Bernabucci has been asked several times to come out and sign his lease.

Attorney Stewart suggested keeping the effective date of the lease the original date of October 1, 1996, and if the Airport Authority wishes to waive a portion of the lease fee that should be a separate issue.

Chairman Myers suggested in the future once a piece of property is tied up in a lease that we require the full years lease amount in full at the inception of the lease. He stated this is a straight business deal and Mr. Bernabucci is an astute businessman. Chairman Myers indicated he is not in favor of walking away from this rental charge.

Mr. Pawluk moved the lease be effective October 1, 1996 but that the Airport Authority waive the first six months rental.

Second by Mrs. Stanton.

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

Gallagher, Macdonald and Myers voted no.

The motion failed.

Received Communication from Paul Bernabucci Regarding Hangar Ground Lease Payment:
(Continued)

Gen. Macdonald moved the hangar ground lease with Mr. Bernabucci be effective October 1, 1996.

Second by Mr. Gallagher.

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

Stanton and Pawluk voted no.

The motion was declared carried.

Gen Macdonald moved the Airport Authority waive the rent on Mr. Bernabucci's lot for the three months of the lease (October 1 through December 31, 1996).

Second by Mr. Gallagher.

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

Mr. Wes Schon, Ulteig Engineers, was recognized and stated he has had some involvement with assisting Mr. Bernabucci with the objection the FAA has with Mr. Bernabucci's hangar. He stated at the present time Mr. Bernabucci has resubmitted the building footprint to include the addition to the building. He stated it is his understanding the Bismarck Airports District Office has forwarded this to Chicago. He explained that the FAA's objection has to do with the radar bounce that would be caused by his hangar. He stated if it comes back acceptable in the configuration proposed they will have to either build it as proposed or use a non reflective material on the south side of the building. He stated we have not yet heard the results.

Authorized Attendance at the Upper Midwest Aviation Symposium, March 2 5, 1997, Bismarck, ND:

Mr. Gallagher moved to authorize attendance at the Upper Midwest Aviation Symposium, March 2 5, 1997, Bismarck, ND, by Mr. Dobberstein and board members wishing to attend.

Second by Mrs. Stanton.

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

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

Selected Northeast General Aviation Ramp Expansion Option and Authorized Preparation of Plans and Specifications:

Gen. Macdonald moved to approve the selection of Option C for the expansion of the Northeast General Aviation Ramp. (Airport Authority was presented with Options A, B and C at previous meetings.)

Second by Mr. Gallagher.

Mr. Wes Schon stated the current estimate is \$1.15 million which will provide an additional 45 aircraft parking spaces, or a cost of \$25,500 per space, plus some additional working apron.

Mr. Pawluk stated Option C seems to serve both tenants' needs the most.

Mr. Dobberstein stated we currently have slightly more than \$1 million in our construction fund and are expecting some additional federal and state reimbursement, as well as some of our tax levy income. He stated we will work carefully to cash flow this as well as our portion of the air cargo apron and the Hangar #2 reroofing project until we receive reimbursements.

Chairman Myers called for a vote on the motion to approve Option C.

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

Approved Request from United Express to Lease Additional Space:

Mr. Dobberstein stated he received a request on February 18, 1997, from United Express Station Manager, Steve Dahl, to discontinue their use of the Gate 5 boarding area and move their boarding operations to Gate 3 effective March 1, 1997. He stated an amendment would be added to their lease making this change.

Mrs. Stanton moved to approve the request from United Express to lease additional space in the departure lounge.

Second by Gen. Macdonald.

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

Chairman Myers asked if the chairs in the lower level baggage claim area would remain in place. He stated at the request of Judge Myron Bright we placed some additional chairs in the baggage claim area.

Mr. Dobberstein stated all of the chairs on the lower level would remain in place.

Approved Sale of Mita DC 2055 Copy Machine to United Express:

Mr. Dobberstein stated that we determined the current value of our Mita DC 2055 is approximately \$1,200 and United Express has offered us \$1,000, payable at \$100 a month for the next 10 months.

Mr. Pawluk moved to approve the sale of the Mita DC 2055 to United Express.

Second by Mrs. Stanton.

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

Other Business:

Mr. Ron Balvitsch, Northwest Airlines, was recognized and stated he has enjoyed his association with Hector Airport and the Airport Authority over the past 18 of his 39 years with Northwest Airlines. He stated the station in Fargo has had a tough year and did not meet the company's goals for the year. He stated being the manager responsible for not meeting these goals he has been relieved of his duties as manager at Northwest Airlines in Fargo. He stated each manager has goals and they started out the first quarter of the year with storms and bad weather which hurt their performance. Mr. Balvitsch stated the manager in Grand Forks, John Stimpert, will temporarily be replacing him.

Gen. Macdonald stated what Northwest Airlines does is their business but he feels we should write a letter to the Northwest Airlines Chairman, President and Human Resources Director, expressing our displeasure in their decision

Mr. Pawluk stated he feels it should be a resolution of support. He stated he wants to support Mr. Balvitsch but not necessarily condemn Northwest Airlines.

Chairman Myers stated Mr. Balvitsch knows that he appreciates the things he has done in Fargo but we perhaps do not know the whole story.

Gen. Macdonald moved the Airport Authority write a letter to Northwest Airlines conveying our displeasure in their action. He added that he is not necessarily looking at a letter that will require a response. Second by Mr. Gallagher.

Mrs. Stanton stated she feels the tone of the letter should reflect our feelings of displeasure with their action.

Mr. Pawluk stated he feels the letter should be one of support of Mr. Balvitsch.

Mr. Balvitsch now absent.

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

Mr. Pawluk voted no.

The motion was declared carried.

Adopted Resolution of Appreciation to Mr. Ron Balvitsch:

Gen. Macdonald moved to adopt the following resolution of appreciation to Mr. Ron Balvitsch:

WHEREAS, Mr. Ron Balvitsch, Station Manager for Northwest Airlines at Hector Airport for the past 18 years, has announced he will be leaving the position, and

WHEREAS, Mr. Balvitsch, through his untiring devotion and dedication to duty, has been a credit not only to Northwest Airlines, but to Hector Airport and the entire area it serves.

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. Ron Balvitsch for past services and wishes him well in his new endeavors.

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 Balvitsch.

Second by Mrs. Stanton.

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

Received Update from Car Rental Subcommittee:

Gen. Macdonald stated the members of the subcommittee (he and Mr. Pawluk) have met several times to discuss the issues involving the car rental agencies. He stated we are looking at three issues:

- 1) A new method of determining the Airport Authority's fee
- 2) Additional car rental agencies on the airport (Enterprise)
- 3) Discrepancy with Avis Rent a Car

Gen. Macdonald stated the subcommittee is recommending the Airport Authority and the car rental agencies renegotiate the current leases effective no later than April 1, 1997. He indicated the subcommittee has given this considerable thought and they are recommending an airport surcharge of somewhere between eight and ten percent on the bottom line of all car rental contracts. He stated this is being done at many airports and then we do not get involved in what charges are for mileage, insurance, etc., and there would be no exclusions. He stated they have reviewed this at some length and feel this will solve a number of problems. He added that they recommend developing a report form that will be completed by each of the agencies and submitted to us each month.

Chairman Myers stated under this proposal the car rental agencies will probably make more money as the amount being paid to the Airport Authority will now be paid by the customer. He stated he feels this will be good for both parties.

Mr. Pawluk stated this has been presented to all of the agencies and they have received support from all of the agencies for this method.

Received Update from Car Rental Subcommittee: (Continued)

Gen. Macdonald stated with regard to the request from Enterprise Rent a Car he sees no alternative but to allow them to operate on the airport under the same terms as the other agencies. He stated it is hard for us to stop them from coming onto the airport to pick up customers as they are doing now, and the airport receives nothing from them. He stated we are able to limit their ability to advertise at the airport.

Gen. Macdonald stated some of the larger airports have installed transponders that record the number of times cab companies, off site car rental agencies, hotel vans, etc. use the airport, and the airport charges a fee for each visit. He stated this practice has been done and has been upheld by the court. He added that they are not recommending that at this time.

Chairman Myers stated if any recommendation is made to make additional car rental space available across from the airline counters he feels our present tenants should have the first opportunity at that space.

Mr. Gallagher stated he is not sure we should have another car rental agency on the airport. He stated we have tried it before and the fifth one did not make it.

Mrs. Stanton stated we have had this argument before and she stated she does not know how we can limit the competition.

Gen. Macdonald stated with regard to the Avis issue, the recent financial review revealed that Avis Rent a Car has been charging a six percent surcharge on each rental contract, of which the Airport Authority was not receiving a percentage. He stated this practice was common prior to 1989, at which time the Attorney General issued an opinion that this was a deceptive practice and called for the discontinuation of this practice. He stated the other agencies ceased the practice but Avis continues to charge the six percent surcharge.

Gen. Macdonald stated he feels the Airport Authority shares the blame in not catching this sooner than now. He stated he also wants to make it clear that the Airport Authority does not believe there was any intention on the part of Mr. Ness to defraud the Airport Authority. He stated it is therefore his feeling that this is a contractual disagreement and Mr. Ness is unwilling to acquiesce to our thoughts. Gen. Macdonald stated the Airport Authority has the following options:

1. Settle the matter in court.
2. Waive the underpayment and press forward.

Chairman Myers stated he is not prepared at this time to take action today.

Chairman Myers asked Attorney Stewart if the Airport Authority could have a brief closed executive session to discuss the matter further before taking any action.

Mr. Pawluk stated he would first like to hear comments from the car rental agency representatives present.

Mr. Maury Lamb, National Car Rental, was recognized and stated that if the Airport Authority is looking for increased revenue by adding an Enterprise location at the airport that will not be the case. He stated if the airport surcharge is put in place the Authority would receive ten percent of Enterprise's \$20 rental fee vs. ten percent of the \$50 fee charged by the other agencies. Mr. Lamb added that he would, however, be agreeable to the airport surcharge.

Mr. Corey Thompson, Budget, was recognized and stated there is not ample parking space for the present four agencies and he does not see where there would be room for a fifth agency's cars.

Mr. Mark Hovde, Hertz, was recognized and stated he does not have a problem with the airport surcharge but he does not agree that allowing Enterprise on the airport will increase service or revenue. He stated Enterprise does not have contract rates with businesses and the airport will not see increased service. He stated the other agencies will be forced to reduce their fleets. He asked where the Airport Authority will draw the line as far as number of car rental agencies.

Received Update from Car Rental Subcommittee: (Continued)

Mr. Hovde stated in relation to the findings of the recent audit, their intention is to live in the present and what the Airport Authority does is up to them. He stated their concern was that the Authority insure that the playing ground was fair.

Upon advice of Attorney Stewart and upon unanimous vote of the Authority, it was determined that a portion of the public meeting be closed for the purpose of having an attorney consultation. It was noted that this was for the purpose of seeking and receiving the attorney's advice in anticipation of imminent civil litigation and was for no other purpose.

The meeting was closed at 10:38 a.m.

The public was invited to return to the meeting at 11:10 a.m.

Gen. Macdonald moved the Airport Authority write Mr. Bernie Ness dba Avis Rent a Car a formal letter requesting the following:

1. That he cease and desist charging the 6% tax or surcharge.
2. That he remit to the Airport Authority 10% of the surcharge collected for the period July 1, 1995 to present, less the \$1,386.00 overpayment discovered in the audit.
3. Should he refuse to comply with these requests that we:
 - a. Contract the services of Eide Helmeke to audit the Avis books back to November 1989, the point in time the other agencies dropped the surcharge
 - b. Turn the matter over to our attorney for litigation.

Motion was seconded by Stanton.

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

Gen. Macdonald moved the Airport Authority direct Mr. Dobberstein to meet with the car rental agencies and ascertain their willingness to renegotiate their leases effective April 1, 1997, modifying the leases to implement the airport surcharge on the entire amount of the rental contract in lieu of the present arrangement for the remainder of the term of their leases Second by Mr. Pawluk.

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

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

Mrs. Stanton moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, March 19, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

All members present voted aye.

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

Time at adjournment was 11:14 a.m.

Regular Meeting

Wednesday

March 19, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, March 19, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Gallagher, Macdonald, Stanton, Pawluk, Myers

Absent: None

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 19, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held February 19, 1997.

Second by Mrs. Stanton.

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

Approved the Airport Vouchers Totaling \$71,499.49:

Mr. Gallagher moved to approve the airport vouchers totaling \$71,499.49.

Second by Mrs. Stanton.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$1,628.10 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, Stanton, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$19,138.92 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Foss Associates:

Mrs. Stanton moved to approve the individual voucher in the amount of \$700.53 to Foss Associates for payment request for architectural services in connection with the arch reinforcement proposal for Hangar #3.

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Honeywell, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$1,829.00 to Honeywell, Inc. for payment request no. 1 for cooling tower improvements (MAA approved 10 16 96).

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Honeywell, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$377.87 to Honeywell, Inc. for cooling tower improvements (MAA approved 1 22 97).

Second by Gen. Macdonald.

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

Received and Filed 1996 Annual Statement of Operations:

Mr. Gallagher moved to receive and file the 1996 Annual Statement of Operations.

Second by Gen. Macdonald.

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

Approved Plans and Specifications and Authorize Advertising for Bids for the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20, and the Water and Sewer Main Project:

Mr. Dobberstein stated the next step in our air cargo project is for the Airport Authority to approve the plans and specifications prepared by Ulteig Engineers and to authorize advertising for bids to be opened on April 16, 1997.

Mr. Dobberstein stated he reviewed the plans and specification with Mr. Wes Schon and Mr. John Scaper, Ulteig Engineers.

Mr. Wes Schon was recognized and gave an overview of the plans and specifications for the project. He stated the Authority has reviewed these a number of times and there have not been many changes for the final specifications.

Mr. Schon stated 31st Street will be the access to the area from County 20, which is between the Guard and Reserve facilities on the northwest end of the airport. Mr. Schon stated as far as fire hydrants, we will not know the requirements until a developer submits building plans to the City for approval.

After further discussion, Gen. Macdonald moved to approve the plans and specifications and authorize advertising for bids for the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20, and the water and sewer main project.

Second by Mrs. Stanton.

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

Approved Engineering Services Contract with Ulteig Engineers, Inc. for the Northeast General Aviation Ramp Expansion Project:

Mr. Dobberstein stated he has reviewed the proposed Engineering Services Contract between the Municipal Airport Authority and Ulteig Engineers, Inc. for the Northeast General Aviation Ramp Expansion Project. He stated this is the standard agreement we have used with engineering firms in the past and he recommended approval of the contract.

Mr. Pawluk moved to approve the Engineering Services Contract with Ulteig Engineers, Inc. for the Northeast General Aviation Ramp Expansion Project.

Second by Mrs. Stanton.

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

Gen. Macdonald stated he would like to express his interest in the fact that the Airport Authority award engineering contracts to various firms and not always the same firm, although he has no problem with the action being taken today..

Chairman Myers stated the Airport Authority has a three year contract with Ulteig Engineers.

Mrs. Stanton stated she feels it is the Airport Authority's job to see that contracts are awarded to the best and most qualified firm for the project. She stated she has no problem with awarding contracts to the same firm as long as they are doing the best job.

Mr. Gallagher stated we are following the FAA guidelines for engineering services.

Gen. Macdonald stated if this is the last year of the three year term we should make sure we start early enough on the interview process for the next three year term and would like to discuss this again in July.

Mrs. Stanton stated when she served on the County Commission it was her experience that when contracts were awarded there were always other firms who were upset that they did not get the contract. She stated there are reasons why one firm gets a contract over another firm. She stated it is the responsibility of the Airport Authority to make certain that contracts are awarded to firms that will do the best job for the airport.

Chairman Myers called for a vote on the motion.

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

Approved Plans and Specifications and Authorized Advertising for Bids for the Northeast General Aviation Ramp Expansion Project:

Mr. Pawluk moved to approve the plans and specifications and authorize advertising for bids for the Northeast General Aviation Ramp Expansion Project.

Second by Mrs. Stanton.

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

Received Report from Foss Associates Regarding Hangar No. 3 Repair Quotes (Requested by MAA 2 5 97):

Mr. Patrick Delapointe, Foss Associates, was recognized and stated they received five proposals on behalf of the Airport Authority for the project to reinforce the beams in Hangar 3. Bids received were as follows:

Dakota Construction.....	\$2,434.00
Waters Construction.....	\$3,250.00
CM of North Dakota.....	\$3,400.00
D.C. Trautman Company.....	\$4,067.00
Olaf Anderson & Son.....	\$4,435.00

Mr. Delapointe explained that the proposed project will leave the arch in tact but will support it and prevent collapse.

Received Report from Foss Associates Regarding Hangar No. 3 Repair Quotes (Requested by MAA 2 5 97): (Continued)

Chairman Myers stated he feels this is a good, sound approach to this problem with the hangar.

Mr. Delapointe stated this project was based on the structural review and recommendations made by Solien & Larson Engineering (structural engineers). Mr. Delapointe recommended the project be awarded to Dakota Construction.

Mr. Gallagher moved to receive the report from Foss Associates and award the project to Dakota Construction based on their bid of \$2,434, as recommended by Foss Associates.

Second by Mrs. Stanton.

Mr. Pawluk stated he maintains that until the Airport Authority is prepared to make a decision to go ahead and actually repair and save those hangars he is not in favor of spending any money on them. Mr. Pawluk stated he does not feel the Authority is willing to make the decision to spend the money to save them.

Chairman Myers stated the Airport Authority is aware of the condition of the hangar structure and even though this \$2,000 will not take care of all of the problems it will buy us some time and it will show the Airport Authority is exercising some reasonable care in providing a facility that is safe.

Mr. Pawluk stated he would like the Airport Authority to make the commitment to spend the money to restore the structures and if we are not willing to do that then tear them down rather than spend money on piecemeal repairs.

Mrs. Stanton stated at some point in time the repairs will not continue but this is a good faith effort on the part of the Airport Authority to ensure that the building is safe.

Mr. Pawluk stated for the record that his airplane is in one of those hangars.

Mr. Pawluk asked that if by doing these repairs the restrictions on this hangar by the insurance carrier will be removed.

Mr. Dobberstein stated that is a possibility if they are satisfied with the information provided by the structural engineer.

Chairman Myers called for a vote on the motion.

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

Mr. Pawluk voted no.

The motion was declared carried.

Received Quote from Fargo Glass & Paint for Door Modifications:

Mr. Dobberstein stated he received a quote from Fargo Glass and Paint Co. to furnish and install a swing door operator for the Northwest Airline operations area. Mr. Dobberstein stated he has talked with Mr. John Stimpert, NWA interim manager, and he has come to an understanding with his supervisors and this modification may not be necessary. He stated if they are not successful in keeping the door closed he will proceed with this installation and bill Northwest Airlines for the cost.

Chairman Myers asked Mr. Dobberstein to write a letter to both Northwest and United Express advising them of this.

Mrs. Stanton moved to authorize Mr. Dobberstein to correspond with both airlines and advise them that these doors must remain closed at all times and if they fail to do this the doors will be modified at their expense.

Second by Mr. Pawluk.

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

Considered Change Orders for Westside Terminal Generator Project:

Mr. Joel Kath, Ulteig Engineers, was recognized and stated the generator installation is virtually complete. He stated we have not been able to do the scheduled change over due to the weather as it must be done during a night when temperature does not go below 20 degrees.

Considered Change Orders for Westside Terminal Generator Project: (Continued)

Mr. Kath reviewed the change orders as follows:

1. Additional concrete placement	\$345.00
2. Coolant check valve and aquastat	543.00
3. Fuel lines heat tape	400.00
4. Damper controls modification	255.00
5. Water Jacket Heater connection	240.00
6. Radiator fan starter	400.00
7. Temporary cold weather provisions	300.00
TOTAL	\$2,483.00

Mr. Kath explained that Change Order No. 1, additional concrete replacement, was because the contractor had to excavate a larger area than anticipated in order to avoid underground utilities and to meet OSHA slide slope requirements. Mr. Kath stated the utilities were shown on the plans but were not dimensioned on the original as built drawings.

Chairman Myers asked who the engineer was on the original construction.

Mr. Kath stated Foss was the architect on the building and Houston Engineering was the engineer on the ramp project. Mr. Kath stated Meinecke Johnson is just asking for the cost of the additional concrete and they took care of the cost for the backhoe and excavation and other associated costs. The total cost of the change was \$1,200.00.

Chairman Myers stated Change Order No. 2, Coolant Check Valve and Aquastat, bothers him. He stated it was his understanding that Caterpillar was providing a complete system. He stated he is not opposed to good change orders but he feels this item is a component of a complete system. Chairman Myers asked Mr. Kath to go back to Caterpillar and request this item be included without additional charge.

Mr. Pawluk stated he would also maintain that Item #2 is part of a complete system.

Mr. Kath stated this was in the initial design but he took it out because he did not feel it was necessary but Caterpillar came back and suggested adding it.

Mr. Kath stated the total project estimate was \$223,000 and these change orders amount to a 1.2% increase.

After further discussion of the items, Gen. Macdonald moved to approve Change Order No. 1 consisting of the seven items outlined.

Second by Mrs. Stanton.

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

Mr. Pawluk voted no.

The motion was declared carried.

Mr. Kath stated the former generator in the terminal is being installed on a trailer.

Mr. Dobberstein stated he met with the Public Works Progress Evaluation Committee (PWPEC) and Mr. Bob Welton was authorized to expend funds necessary to install the generator on a trailer and the Airport Authority will be responsible to maintain and house the generator. He stated the generator should be operational by Friday.

Received Request from The Barnstormer to Install a Soft Drink Vending Machine:

Mr. Dobberstein stated he received a request from Renee Noehre, Manager, The Barnstormer, for permission to install a vending machine to dispense 20 oz. bottles of Pepsi soft drinks in their snack bar area. He stated this will be accessible to the public when the snack bar is closed. He stated he recommends approving this request on a trial basis.

Received Request from The Barnstormer to Install a Soft Drink Vending Machine:
(Continued)

Gen. Macdonald moved to approve the Barnstormer's request for a soft drink vending machine, on a trial basis as recommended by the Director.

Second by Mrs. Stanton.

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

Received Request from United Express to Lease Space in the Eastside Terminal:

Mr. Dobberstein stated he received a request from United Express (Great Lakes Airlines) to lease space in the Eastside Terminal effective March 1, 1997. Mr. Dobberstein stated the need for this space was created by their new non stop service to Chicago. He stated he allowed United Express to begin occupying the space March 1, and it is mainly used for storage of parts.

Gen. Macdonald moved the Director be authorized to enter into a lease agreement with United Express for lease of space in the Eastside Terminal.

Second by Mrs. Stanton.

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

Received Request from G.A.P. ag Ltd. to Lease Space in the Eastside Terminal:

Mr. Dobberstein stated he received a request on February 20, 1997, to lease 1600 s.f on the second floor of the Eastside Terminal, the remaining space vacated by the National Weather Service Office. He received a second request March 4, 1997 to lease 200 s.f. in the lower level.

G.A.P. ag Ltd. and Agri ImaGIS are proposing a two year lease commencing April 1, 1997 with lease payments of \$900 per month without janitorial service. G.A.P. is a supplier of precision GPS systems to the aerial applicator and farmer market. Agri Images markets satellite imagery to a wide customer base.

Gen. Macdonald moved the Director be authorized to enter into a lease agreement with G.A.P. ag Ltd. for lease of space in the Eastside Terminal.

Second by Mrs. Stanton.

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

Received Request from AVSUPPORT On Line to Lease Space in the Eastside Terminal:

Mr. Dobberstein stated he received a request dated March 9, 1997, from K.C. Hemelstrand, AVSUPPORT online, requesting to lease office space in the Eastside Terminal. The space requested consists of one area with 390 s.f. and a second area with 138 s.f. The larger area would be utilized as office space and the second as storage for computer equipment. Mr. Helemstrand indicated in his letter that he would like both spaces but would like his lease payment based on 390 s.f.

Mr. Dobberstein stated Mr. Hemelstrand is a former Dakota Aero Tech student and AVSUPPORT online is an Internet aviation online service.

Gen. Macdonald moved the Director be authorized to enter into a lease agreement with AVSUPPORT online for lease of the one 390 s.f. area of space in the Eastside Terminal.

Second by Mrs. Stanton.

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

Considered Proposed Development Agreement with Brandt Properties Co.

Mr. Dobberstein stated Attorney Stewart has prepared a draft of a proposed development agreement between the Municipal Airport Authority and Brandt Properties Co. Mr. Dobberstein stated he visited briefly with Mr. Brandt and he has some concerns about the provision for utilities in the agreement as well as parking lot facilities.

Considered Proposed Development Agreement with Brandt Properties Co.: (Continued)

Chairman Myers stated he would not be comfortable taking any action today since Mr. Brandt was not available today.

Chairman Myers stated he would like the board members to spend some time evaluating the development agreement and consider the extent of the Airport Authority's involvement in the development of the air cargo area. He stated this development will be an advantage to the airport as well as Brandt Properties and will be equally as valuable to the airport as the general aviation area. He stated this development will create new jobs and additional income to the airport as well.

It was the consensus of the Airport Authority that this matter be deferred until the first meeting in April.

Received Communication from JP Development Requesting an Amendment to the Dimensions of Lot 4, North General Aviation Area:

Mr. Dobberstein stated he received a letter dated February 19, 1997, from Mr. James Sweeney, JP Development, stating that at the October 2, 1996 meeting approval was given to JP Development to construct a second hangar to the east of their existing building. The approval included building dimensions of 140' x 160'. Discussion took place at the meeting regarding the 50 foot separation between a building and the centerline of the ramp access road. They accepted the board's decision to restrict the hangar size to 140 feet wide to maintain the 50 foot separation from the center of the access road. His letter further stated that in continuing to review the square footage and size of the building, they request to amend the existing square footage to increase the depth of the building (north to south) by eleven feet. This will allow them to maximize the use of the lot and will increase hangaring capabilities within the structure.

Mr. Dobberstein stated he has reviewed this request with Mr. Wes Schon and there do not seem to be any problems with this request.

Gen. Macdonald moved to approve the request to amend the footprint of JP Development's proposed hangar from 140' x 160' to the new dimensions of 140' x 171', based on the condition that this will not affect the 50 foot separation between the proposed building and the center of the access road.

Second by Mrs. Stanton.

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

Received Communication from JP Development Requesting an Amendment to Their Lease Agreement and Option Pertaining to Lot 1 in the North General Aviation Area:

Mr. Dobberstein stated he received a communication dated February 19, 1997, from Mr. James Sweeney, JP Development, formally requesting an amendment to their original Lease Agreement and Option dated August 17, 1994. They wish to amend Exhibit "A", Lot No. 1, to reflect a dimension of 300 feet on the east west line and 210 feet on the north south line. This option will give them the opportunity to provide space between their existing building and a new hangar on Lot 1 which they foresee in future development. They also desire a change from 180 days to 365 days on the notification of Lessor's intention to offer the property for lease. This 365 days is the time on the notification previously held on Lot 4 to the east of their existing building.

Mr. Dobberstein stated the current dimensions of Lot 1 are 140' x 150'. He stated JP Development's proposed 300' x 210' dimension would encroach upon the building restriction line. Mr. Dobberstein stated we could do some preliminary calculations as to what the ultimate development on that lot could be. He stated he does not have the FAA's answer in terms of airspace.

Received Communication from JP Development Requesting an Amendment to Their Lease Agreement and Option Pertaining to Lot 1 in the North General Aviation Area:
(Continued)

Chairman Myers suggested turning this request over to Mr. Dobberstein to determine how far Lot 1 can be extended to the west, getting all details cleared with the FAA and then come back to the board with a recommendation.

Mr. Pat Sweeney was recognized and stated previous to this their development priority was for Lot 4 but that has now changed and their priority is Lot 1.

Mr. Pawluk moved the Airport Authority defer action on this matter until Mr. Dobberstein has been able to get details from the FAA and come back to the Authority with a recommendation.

Second by Mrs. Stanton.

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

Considered Amendment to Car Rental Leases Effective April 1, 1997:

Mr. Dobberstein stated he met with the four car rental agencies to develop an airport user fee or surcharge as a new method of car rental revenue paid to the Airport Authority. Attorney Stewart has drafted a proposed amendment.

Attorney Stewart stated this amendment to the car rental leases would provide that the fee to the airport be at the bottom of each rental contract and identified as "Airport User Fee". He stated all charges would be subject to the 10%, with the only exclusions being:

- (a) Any federal, state and municipal sales taxes or other similar taxes separately stated and collected from customers of the Lessee now or hereafter levied or imposed or authorized.
- (b) Any sums received as insurance or otherwise from damaged automobile or other property of Lessee or for the loss, conversion or abandonment of such automobiles.
- (c) Any proceeds received from the sale of automobiles.

Attorney Stewart stated this amendment also spells out the services the Airport Authority expects the car rental agencies to provide. He stated prior to this these requirements were included in the Request for Proposals but not in the actual lease. Such services shall include the following:

- (a) Contracts shall be based on a 24 hour day
- (b) Contracts shall allow cars to be picked up or dropped of in other locations, including Canada
- (c) The lessee shall provide minimum hours of service comparable to 12 hours a day from Sunday through Friday and nine hours a day on Saturday.

Attorney Stewart stated the matter of the 2% tourism tax to the F M Convention and Visitor's Bureau was discussed with the agencies and in order for the car rental agencies to be able to levy the voluntary tax or contribution the City of Fargo would have to pass an ordinance allowing them to do so. He added that the consumer would also have to be aware that it is a voluntary contribution.

Gen. Macdonald stated this new method of payment to the Airport Authority will be simpler, cleaner and will remove the Airport Authority from negotiating which charges are included and which are not.

Chairman Myers stated there was some discussion at the last meeting about some items being excluded, such as cellular phone rental.

Attorney Stewart indicated the only exclusions are a, b, and c listed on Page 2 of the lease. He added that this is a mutual attempt at clarification of the lease, not actually changing the lease.

Considered Amendment to Car Rental Leases Effective April 1, 1997 (Continued):

Mr. Pawluk asked for comments and concerns from any of the car rental representatives present.

No further comments were made.

Mr. Pawluk moved the Airport Authority approve the clarified lease with the car rental agencies as presented, effective April 1, 1997.

Second by Gen. Macdonald.

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

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

Authorized Attendance at the 69th Annual AAAE Conference and Exposition, May 11 14, 1997, Minneapolis, MN:

Mr. Gallagher moved to authorize attendance at the 69th Annual AAAE Conference and Exposition, May 11 14, 1997, by the Executive Director and members of the Airport Authority wishing to attend.

Second by Mr. Pawluk.

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

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

Other Business:

Gen. Macdonald stated he attended the Upper Midwest Aviation Symposium in Bismarck, March 3 5, 1997. He stated he was very interested in a presentation on GPS/GIS and suggested the Airport Authority authorize Mr. Dobberstein to get more information on this for the airport and report back to the board at some time in the future.

Mr. Dobberstein stated the City of Fargo started its GIS review back in 1988 with US West and NSP and has progressed to the point where they have all of the ground surveys incorporated so they have come a long way in the past few years. He added that the ND Air National Guard has done quite a bit of work in this area and he will visit with them as well.

Mr. Gallagher moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, April 2, 1997, 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 10:31 a.m.

Regular Meeting

Wednesday

April 2, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, April 2, 1997, at 9:00 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, MacLeod, Walstad, Jordan

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 19, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held March 19, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$41,821.97:

Gen. Macdonald moved to approve the airport vouchers totaling \$41,821.97.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$9,591.23 to Ulteig Engineers, Inc. for engineering services in connection with Northeast General Aviation Area Ramp Expansion.

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$7,685.61 to Ulteig Engineers, Inc. for engineering services in connection with the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20.

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mrs. Stanton moved to approve the individual voucher in the amount of \$5,000.00 to Ulteig Engineers, Inc. for engineering services in connection with the Air Cargo Area Water and Sewer Project.

Second by Gen. Macdonald.

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

Approved the Individual Voucher to Obermiller Nelson Engineering:

Mrs. Stanton moved to approve the individual voucher in the amount of \$780.00 to Obermiller Nelson Engineering for engineering services in connection with Westside Terminal Cooling Tower Improvements.

Second by Gen. Macdonald.

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

Considered Revised Airport Facilities/Construction Guidelines Document:

Mr. Dobberstein stated the Airport Authority previously approved the Airport Facilities/Construction Guidelines, subject to adjustments. Mr. Dobberstein stated since that approval the following items have been added:

The ground rental payment to the Lessor will begin as stated in the lease document regardless of the date of construction or occupancy.

Lessee shall be responsible for said leased premises from the date of the lease document and any risk of loss shall be Lessee's upon such execution.

Additionally, Lessee will indemnify and hold Lessor harmless from any and all claims, demands, and causes of action that may be asserted resulting from or in any way related to Lessee's lease of and activities on said leased premises.

Mr. Dobberstein stated this document will continue to be a flowing document subject to change.

Gen. Macdonald moved to approve the Airport Facilities Development Construction Guidelines.

Second by Mrs. Stanton.

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

Presentation by Mayor Bruce Furness:

Due to the Mayor's schedule this item was moved up on the agenda.

Mayor Furness was recognized and stated the purpose for his visit today was to recognize two long term members of the Airport Authority. Mr. Paul Gallagher has served since 1971 and Mrs. Jeannette Stanton since 1983. They were each presented with a plaque acknowledging their service.

Mayor Furness stated that he continually hears positive comments from visitors to Fargo on Hector Airport and what a good first impression of Fargo the airport gives visitors. He attributed this to the dedicated members of the Airport Authority and airport staff.

Mayor Furness also introduced and welcomed the newly appointed members, Dick Walstad and Bonnie Jordan.

Received Communication from JP Development to Construct a Temporary Parking Lot:

Mr. Dobberstein read a communication from Mr. Patrick Sweeney, JP Development, requesting permission to lease land for additional parking at Fargo Jet Center. The proposed lot will be 25 feet by 250 feet (6,250 square feet) and is located immediately north of our access road. Since the area is now black dirt they would like to disperse gravel across the entire site. Due to the current melting situation they would like to start the preparation of this parking lot as soon as possible.

Mr. Dobberstein stated he has no problem with this request provided the lot is strictly temporary in nature and that any costs associated with restoring the area back to the black dirt condition would be the responsibility of JP Development. He added that rental on the ground will be ten cents per square foot.

Mr. Pawluk moved to receive and file the communication from Mr. Sweeney and that the Airport Authority approve the request for the rental of space for a temporary parking lot at the lease rate of ten cents per square foot, subject to negotiations on specific terms with Mr. Dobberstein and Attorney Stewart.

Second by Mrs. Stanton.

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

Mr. Dobberstein asked Mr. Sweeney if he would have any problem with a 30 day cancellation notice.

Mr. Sweeney indicated he had no problem with that term but during the winter months it would be difficult to restore the lot to its original stated within that time.

Reconsidered JP Development Request Relating to Dimensions and Options for Lot 1 in the Northeast General Aviation Area:

Mr. Dobberstein stated at the last meeting the Airport Authority received a request from JP Development to amend Lot No. 1, to reflect a dimension of 300 feet on the east west line and 210 feet on the north south line. This option will give them the opportunity to provide space between their existing building and a new hangar on Lot 1 which they foresee in future development. Mr. Dobberstein stated at the last meeting he was instructed to propose this to the FAA and get their determination on how far Lot 1 can be extended to the west. He stated he and Mr. Schon reviewed this and in terms of an airspace standpoint do not feel a building of the same height as their existing building should be a problem. He stated it is his understanding from Mr. Sweeney that construction is not planned until two to five years from now.

Mr. Dobberstein stated he would recommend the board allow the developer or builder to maximize the use of the property, subject to the ultimate approval of the FAA.

Mr. Dobberstein stated the second part of their request was to increase the notification period for the right of first refusal on the lot from 180 days to 365 days.

Mr. Pawluk stated he feels that a right of first refusal with a notification period this long basically takes the property off the market. He stated, however, he is not opposed to this request considering the requests we have received for development. He added that should we receive another request there is adequate area in another location.

Mrs. Stanton moved to approve amending the size of Lot 1 in the North General Aviation Area as requested.

Second by Gen. Macdonald.

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

Reconsidered JP Development Request Relating to Dimensions and Options for Lot 1 in the Northeast General Aviation Area: (Continued)

Gen. Macdonald moved to approve the request to amend the notification term in the first right of refusal from 180 days to 365 days.

Second by Mr. Gallagher.

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

Considered Proposed Development Agreement with Brandt Properties Co.

This item was delayed until the next meeting.

Received Communication from Business Systems Aviation Requesting Permission to Operate an Aircraft Charter Operation:

Mr. Dobberstein stated he received a request dated March 27, 1997, from Business Systems Aviation, indicating their desire to commence an on demand aircraft charter operation to be based at Hector International Airport. He stated they do have a Part 135 charter certificate and propose to operate out of Valley Aviation.

Mr. Dobberstein stated this type of an operation would be required to pay the Airport Authority 1 1/2% of its gross sales or a minimum of \$200 per month, whichever is greater. He added that we also have a memorandum from Robert Hamilton, Valley Aviation, clarifying the arrangement between Valley Aviation and Financial Business Systems dba Business Systems Aviation.

Mr. Pawluk moved the Airport Authority approve the request from Business Systems Aviation to operate a charter service through Valley Aviation.

Second by Mrs. Stanton.

Mr. Dobberstein added that since they are a sublessee of Valley Aviation the term of the sublease would coincide with Valley's lease.

Gen. Macdonald suggested that the Airport Authority look at increasing the monthly minimum payments to the Airport Authority.

Mr. Steve Schlanger, Business Systems Aviation, was recognized and stated they would be operating a King Air 200 with charter operations available in the US, Canada, Mexico and Alaska. He added that they rent hangar space and purchase fuel from Valley Aviation but their marketing efforts will be separate from Valley.

Chairman Myers called for a vote on the motion.

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

Authorized Deed to Fulfill Contract for Deed for David Kane (Lot 15, Block 4, Airport First Addition):

Mr. Dobberstein stated the Airport Authority has had a Contract for Deed with Mr. David Kane for Lot 15, Block 4 in the Airport First Addition. He stated Mr. Kane now wishes to close the sale and the principal balance is \$93,421.74.

Attorney Stewart stated State Bank of Fargo would be handling the closing.

Gen. Macdonald moved to authorize Mr. Dobberstein and Attorney Stewart to complete the sale of Lot 15, Block 4, Airport First Addition, to Mr. David Kane.

Second by Mr. Pawluk.

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

Discussed Airport Authority Meeting Day and Time:

After some discussion on changing meeting day and time it was the consensus that the board would discuss this item at the next meeting when the new members are in place.

Received Update on Assistant Director Position:

Chairman Myers stated he discussed at length with Mr. Dobberstein the applications received for the position of Assistant Director. He stated the board directed Mr. Dobberstein to narrow down the applicants to three to present to the board. He stated Mr. Dobberstein has narrowed the field down to three individuals and has one strong recommendation.

Chairman Myers stated his thinking is that the Airport Authority hired Mr. Dobberstein and has given him the direction in which to take this airport and he is inclined to accept Mr. Dobberstein's recommendation for an individual. He stated he is not interested in conducting interviews and since Mr. Dobberstein is the person who will have to work with this individual he feels he will make a capable decision.

Mr. Dobberstein stated we received 35 applications and after reviewing those he has chosen three finalists and two alternates. He stated he is not in a position to divulge names at this time.

Chairman Myers asked the board if they feel it is necessary to go any further or should they take the recommendation of the Director.

Mrs. Stanton stated she concurs with Chairman Myers and feels the Airport Authority hired Mr. Dobberstein to run the airport and he should be allowed to choose his assistant.

Mr. Pawluk stated he feels it is an executive decision best left to the Director.

Gen. Macdonald stated he would like to see the names of the applicants.

Mr. Gallagher stated he also agrees Mr. Dobberstein should make the decision.

Mrs. Stanton moved to authorize Mr. Dobberstein to hire an Assistant Director.

Second by Mr. Gallagher.

Chairman Myers added that he is sure Mr. Dobberstein would be more than willing to share any of the information on the applicants with the board members.

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

Macdonald voted no.

The motion was declared carried.

Adopted Resolution of Appreciation to Mrs. Jeannette "Mike" Stanton:

Gen. Macdonald offered the following resolution and moved its adoption:

WHEREAS, Mrs. Jeannette "Mike" Stanton has served as a member of the Municipal Airport Authority of the City of Fargo, North Dakota since her appointment in 1983, and;

WHEREAS, Mrs. Stanton's appointment to the Airport Authority comes to an end on April 8, 1997, and;

WHEREAS, Mrs. Stanton has served as Chairman as well as other capacities during her 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 Mrs. Stanton, and;

WHEREAS, Mrs. Stanton, as a member of the Airport Authority, has rendered valuable and dedicated service and has given unsparingly of her time and energies to meet and exceed the requirements of her appointment.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota does hereby thank and commend Mrs. Stanton for her 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 Mrs. Stanton.

Adopted Resolution of Appreciation to Mrs. Jeannette "Mike" Stanton: (Continued)

Second by Mr. Pawluk.

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

Mrs. Stanton passed her vote.

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

Adopted Resolution of Appreciation to Mr. Paul "Buck" Gallagher:

Gen. Macdonald offered the following resolution and moved its adoption:

WHEREAS, Mr. Paul "Buck" Gallagher has served as a member of the Municipal Airport Authority of the City of Fargo, North Dakota since his appointment in 1971, and;

WHEREAS, Mr. Gallagher's appointment to the Airport Authority comes to an end on April 8, 1997, and;

WHEREAS, Mr. Gallagher has served as Chairman on several occasions, as well as 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. Gallagher, and;

WHEREAS, Mr. Gallagher, 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. Gallagher 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. Gallagher.

Second by Mr. Pawluk.

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

Mr. Gallagher passed his vote.

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

Other Business:

Chairman Myers reminded members that the deadline for registration for the AAAE Conference is April 11 and anyone planning to attend should advise the office by this Friday.

Mr. Pawluk stated at the next meeting he would like to discuss the repair or replacement of the Boardroom chairs.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Wednesday, April 16, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 9:47 a.m.

Regular Meeting

Wednesday

April 16, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, April 16, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Pawluk, Myers

Absent: None

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 2, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 2, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$24,456.37:

Gen. Macdonald moved to approve the airport vouchers totaling \$24,456.37.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Construction Bulletin Magazine:

Gen. Macdonald moved to approve the individual voucher in the amount of \$267.40 to Construction Bulletin Magazine for advertisement for bids for the North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Construction Bulletin Magazine:

Gen. Macdonald moved to approve the individual voucher in the amount of \$275.80 to Construction Bulletin Magazine for advertisement for bids for the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Construction Bulletin Magazine:

Gen. Macdonald moved to approve the individual voucher in the amount of \$114.80 to Construction Bulletin Magazine for the Air Cargo Area Water and Sewer Project.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent or none voting nay the motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$37.44 to the Forum Publishing Company for advertisement of Request for Qualifications for architect/engineering services for the Hangar #2 reroofing project.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$272.11 to Foss Associates for professional services for the design of the Hangar #3 wall project.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Dakota Construction of Fargo:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,434.00 to Dakota Construction of Fargo for the payment request (first and final) for the reinforcement of Hangar #3 wall.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Honeywell, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,706.18 to Honeywell, Inc. for partial payment request #2 for Westside Terminal cooling tower improvements.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$98.28 to Forum Publishing Company for the advertisement for bids for the Air Cargo Area Water and Sewer Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Forum Publishing Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$235.56 to Forum Publishing Company for the advertisement for bids for the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$230.88 to Forum Publishing Company for advertisement for bids for the North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Rickard Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$37,807.50 to Rickard Electric for Payment Request No. 4 for the installation of the Westside Terminal Generator.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Received Bids for the Air Cargo Apron and Access Road Project, AIP Project No. 3 38 0017 20:

The Municipal Airport Authority received the following bids for the Air Cargo Apron and Access Road Project No. 3 38 0017 20:

Urban Contracting Company Fargo, ND	\$1,957,525.40
Dakota Underground Company Fargo, ND	\$1,934,153.50
Northern Improvement Company Fargo, ND	\$1,795,155.50
Engineer's Estimate	\$1,938,850.00

Mr. Walstad moved to receive and file the bids and refer them to the director and the engineer for review and recommendation.

Second by Gen. Macdonald.

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

Received Bids for the Air Cargo Area Water and Sewer Project:

The Municipal Airport Authority received the following bids for the Air Cargo Area Water and Sewer Project:

Dakota Underground Fargo, ND	\$ 90,702.50
Robert Gibb & Sons, Inc. Fargo, ND	\$112,707.00
Geo E. Haggart, Inc. Fargo, ND	\$ 88,285.10
Municipal Industrial Contracting Moorhead, MN	\$ 81,830.00
Schipper Construction, Inc. Fargo, ND	\$ 95,902.90
Shaw Contracting Fargo, ND	\$ 89,641.00
Sherman Excavating, Inc. West Fargo, ND	\$ 92,983.00
Engineer's Estimate	\$ 93,700.00

Mr. Pawluk moved to receive the bids and refer them to the director and engineer for review and recommendation.

Second by Ms. Jordan.

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

Received Bids for North General Aviation Ramp Expansion Project:

The Municipal Airport Authority received the following bids for the North General Aviation Ramp Expansion Project:

Dakota Underground Fargo, ND	\$1,168,160.00
Northern Improvement Company Fargo, ND	\$1,022,882.50
Urban Contracting Fargo, ND	\$1,186,837.00
Engineer's Estimate	\$1,024,775.00

Gen. Macdonald moved to receive the bids and refer them to the director and engineer for review and recommendation.

Second by Mr. Walstad.

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

Received Qualification Proposals from Architectural/Engineering Firms Interested in the Hangar #2 Reroofing Project:

Mr. Dobberstein stated we published a request for qualifications for architectural/engineering firms interested in the reroofing of Hangar #2, which we lease to the North Dakota Air National Guard. He stated that last fall the roof was damaged during a windstorm and will be covered by our policy with North Dakota State Fire & Tornado Fund.

He stated he received qualification proposals from the following seven firms:

Yeater Hennings Ruff Schultz Rokke Welch
Triebwasser, Helenske & Associates, Ltd.
Ness Architects
Mutchler Bartram Architects
Foss Associates
T.L. Stroh Architects, Ltd.
Michael J. Burns Architects, Ltd.

Mr. Dobberstein stated he and Chairman Myers reviewed the proposals and based on what was presented they recommend awarding the contract to Michael J. Burns Architects.

Chairman Myers stated it was evident from Mr. Burns's proposal that he actually visited the site and has outlined his proposed approach to the roof replacement. Chairman Myers added that the proposal does not include any fee information. He added that all of the proposals received were excellent and he has worked with all but one of the architects and they all have good reputations.

Chairman Myers added that he would like to look into the possibility of using the roofing material from Hangar #2 for other roof repairs on Hangars 3 and 4. He stated it is his recommendation that the board turn the matter over to Mr. Dobberstein for his final review and recommendation to the board.

Mr. Pawluk moved the board authorize the Executive Director to proceed in negotiations with Michael J. Burns Architects and others as he may see fit and bring his final decision to the board for approval at the next meeting, and that any award be contingent upon the chosen firm having adequate errors and omissions insurance coverage in effect.

Second by Ms. Jordan.

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

Considered Revised G.A.P. ag Ltd. to Authorize a Sublease to Agri ImaGIS:

Mr. Dobberstein stated approximately one month ago the Airport Authority approved a lease with G.A.P. ag Ltd. for office space in the Eastside Terminal. He stated upon contacting Mr. Oberlander to sign his lease he divulged information on a sublease arrangement he has with Agri ImaGIS. Mr. Dobberstein stated he has discussed this with Attorney Stewart and he has prepared an amendment to the lease for this sublease arrangement. He stated Mr. Oberlander also asked that the term of the lease be changed from two years to one year.

After discussion, Gen. Macdonald moved to authorize the sublease between G.A.P. ag Ltd. and Agri ImaGIS but that the term of the lease remain at two years.

Second by Ms. Jordan.

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

Received Request from U.S. Customs Service for a Cellular Telephone:

Mr. Dobberstein read a communication from US Customs port director, Mr. Todd Hulsether, dated April 3, 1997, that the Airport Authority provide the Fargo Customs Office with a cellular telephone for official government and airport business.

Received Request from U.S. Customs Service for a Cellular Telephone: (Continued)

Mr. Dobberstein stated he did some checking and this is a standard request for US Customs Services Offices at other user fee airports. Mr. Dobberstein stated he would recommend the board approve this request.

Mr. Pawluk moved the Executive Director be authorized to make the decision regarding the request from the US Customs Service for the Airport Authority to purchase a cellular telephone and pay the basic monthly service.

Second by Mr. Walstad.

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

Attorney Stewart now present.

Discussed Boardroom Furniture:

Mr. Dobberstein stated at the last meeting it was requested that the matter of the boardroom furniture (chairs) be placed on the agenda for this meeting. Mr. Dobberstein stated we did replace the wheels on some of the chairs.

After discussion it was the consensus that replacement of the wheels on the chairs would be sufficient.

Discussed Assistant Director Position:

Mr. Dobberstein stated he would like authorization to fly in one candidate from California to interview for the position of Assistant Director. He stated he has talked to the individual on the telephone but feels he needs to visit with him in person. Mr. Dobberstein stated he is still confident that we will be able to find a suitable candidate from the names we have at the salary offered.

Ms. Jordan moved Mr. Dobberstein be authorized to make expenditures necessary to fly in candidates he chooses to be interviewed for the position of Assistant Director.

Second by Mr. Pawluk.

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

The motion was declared carried.

Chairman Myers asked Gen. Macdonald to comment on an meeting they had with Mayor Furness regarding the relationship between the Airport Authority and the Board of City Commissioners.

Gen. Macdonald stated this is simply his impression of the meeting. Gen. Macdonald stated in the meeting they expressed their concern to the Mayor over some of the things that have happened at the airport such as salaries of management. He added that he feels there was some enlightenment on the fact that the Airport Authority is an independent body but there still seems to be some resistance to that fact.

Gen. Macdonald stated he left the meeting with the impression that the Authority still does not know where they stand with the City Commission. Gen. Macdonald stated he voiced his concern over not being able to bring in an Assistant Director with experience at a level higher than Step 1. He stated if we hire someone with no experience we are basically tying the Director to the airport for at least a year while he trains the individual when he could be doing some of the other things the Board feels he should be doing. Gen. Macdonald stated he left the meeting still unsure of the Mayor's position.

Chairman Myers stated he feels the Mayor is now aware of the North Dakota Century Code and that the Airport Authority is an autonomous body and that the Airport Authority cannot be disbanded or abolished. He stated the Mayor also questioned why the Airport Authority is tied into the City's annual audit if the airport is autonomous.

Discussed Assistant Director Position: (Continued)

Chairman Myers stated he had a more positive feeling following the meeting than Gen. Macdonald did. He stated this is a dialogue we will want to continue.

Chairman Myers explained, for the benefit of the new members on the board, that this discussion was precipitated by the problem the Airport Authority had in setting the salary for the new director. He stated the Airport Authority voted to hire Mr. Dobberstein at Step 3 in his classification rather than Step 1. This information was forwarded to the City Commission for their ratification and the Airport Authority was advised that it was on the consent portion of the agenda for the following meeting.

Chairman Myers stated apparently the day of the City Commission's meeting the item was moved from the consent agenda to a regular discussion item and the City Commission reversed the action taken by the Airport Authority and Mr. Dobberstein was placed back at Step 1.

Chairman Myers asked Attorney Stewart for his comments on the meeting.

Attorney Stewart stated he would agree with Chairman Myers that this is a dialogue that should continue.

Mr. Pawluk stated he is bothered by the fact that the City Commission reversed action taken by the Airport Authority.

Gen. Macdonald stated he questions if the City Commission was within their authority to do what they did.

Discussed Meeting Days and Time:

Chairman Myers called for discussion on days and time for the meetings. He stated some time ago the Airport Authority change its meetings from the first and third Tuesdays of the month to Wednesdays to accommodate Mrs. Stanton's Viewpoint schedule. He stated he would like to discuss the possibility of changing the meetings back to Tuesdays.

After discussion, Mr. Pawluk moved the Airport Authority set its meetings for the second and fourth Tuesdays of each month at 9:00 a.m.

Second by Gen. Macdonald.

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

Walstad and Jordan voted no.

The motion was declared carried.

Meetings in May will be on the 6th and the 27th, due to the AAAE Conference the second week in May.

Chairman Myers stated he would also like to see the Airport Authority hold its meetings in some different locations, such as the tower, the NDANG, the Eastside Terminal and the FBO facilities. He stated this will give all of the members an opportunity to familiarize themselves even more with the different facilities and people at the airport.

Gen. Macdonald moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 6, 1997 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 10:10 a.m.

Regular Meeting

Tuesday

May 6, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 6, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Jordan, Pawluk, Myers

Absent: Walstad

Others: Stewart, Bromenschenkel, Macleod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 16, 1997:

Gen. Macdonald moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 16, 1997.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totalling \$23,674.27:

Mr. Pawluk moved to approve the airport vouchers totaling \$23,674.27.

Second by Ms. Jordan.

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

Absent and not voting: Walstad

The motion was declared carried.

Approved the Individual Voucher to Pierce Roofing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$137.79 to Pierce Roofing for temporary roof repairs on Hangar #2 (will be reimbursed by ND State Fire and Tornado Fund).

Second by Mr. Pawluk.

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

Absent and not voting: Walstad.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,463.20 to Ulteig Engineers, Inc. for engineering services in connection with the North General Aviation Area Ramp Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,162.17 to Ulteig Engineers, Inc. for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad.

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,774.07 to Ulteig Engineers, Inc. for engineering services in connection with the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad

The motion was declared carried.

Received Communication from Bob Welton, Engineer for Utilities, Requesting Property Easements to Accommodate Wastewater Treatment Plant Projects:

Mr. Dobberstein received a communication dated May 1, 1997, from Mr. Bob Welton, City Engineer for Utilities, regarding permanent and temporary easement for the City's Sewage Plant Project #4022 4, on the airport's property east of North University Drive. In his letter, Mr. Welton indicated the 60" storm sewer being relocated on this project serves the airport property (old Drain 3). The 60" storm sewer in the sewage plant property cuts diagonally through the site, causing a problem with their planned improvements in 1997. The land over the relocated 60" storm sewer will be restored so it could again be farmed. They also need to relocate some new evergreen trees temporarily on the temporary easement and put them back on top of the 60" storm sewer after it has been installed. They also need access across the airport property to install the pipe.

Mr. Dobberstein stated the area in question is approximately 4 5 acres which is presently under cultivation by Arnold Larson.

Chairman Myers stated he does not see any adverse impact on the airport by granting these easements.

Mr. Pawluk moved the Airport Authority grant the temporary and permanent easements requested by the City of Fargo Public Works/Utilities for Sewage Plant Project #40224, on the basis that the City reimburse the Airport Authority the rental rate on the land involved.

Second by Ms. Jordan.

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

Absent and not voting: Walstad

The motion was declared carried.

Mr. Welton added that one of the reasons the airport did not have any serious problems during the flood is that the City has a very large pump serving Drain #3 and they plan to continue providing that.

Chairman Myers suggested Mr. Welton continue to keep the Airport Authority apprised of what we can do to ensure the airport remains dry during flooding conditions and if further steps should be taken by Authority that we be advised so those can be included in our planning and budgeting.

Considered Architectural Services Agreement with Michael J. Burns Architects for Hangar #2 Reroofing Project:

Mr. Dobberstein stated the Airport Authority, at its last meeting, voted to enter into an agreement with Michael J. Burns Architects for the project to reroof Hangar #2. Mr. Dobberstein stated after several conversations he and Mr. Myers had with Mr. Burns, he has now forwarded us a proposed Architectural Services Agreement.

Chairman Myers stated the compensation to Mr. Burns will be eight percent of the project cost, or approximately \$23,000. He stated the original proposal was ten percent so they were able to negotiate that down.

Gen. Macdonald moved to approve the Architectural Services Agreement between Michael J. Burns Architect and the Municipal Airport Authority, and that Mr. Burns be directed to proceed with drafting of plans and specifications for the project and advertise for bids.

Second by Ms. Jordan.

Mr. Pawluk asked what the difference will be between this roofing system and the one that was installed in 1994.

Mr. Dobberstein stated the wind gusts that damaged the roof were in excess of 60 mph and the roof was rated for 50 mph. He stated insurance code will now require protection to 80 mph and they will also look at the venting of the building.

Chairman Myers stated he is confident Mr. Burns has a good handle on this project and is technically qualified to do the work.

Mr. Dobberstein stated Mr. Burns will also look at salvaging the roofing material from Hangar #2 for possible use on Hangars 3 and 4, which will be over and above what ND State Fire and Tornado will cover.

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

Absent and not voting: Walstad

The motion was declared carried.

Received Communication from North Dakota Aeronautics Commission Advising of Annual Grant Meeting, May 23, 1997, Bismarck:

Mr. Dobberstein stated the ND Aeronautics Commission will be holding their annual grant meeting, Friday, May 23, 1997, in Bismarck.

Mr. Dobberstein stated the application he submitted includes projects that have been denied or deferred in the past due to lack of funds, as well as our air cargo apron, a portion of our water and sewer projects, and the north general aviation ramp expansion. He stated the total amount we are entitled to receive from the State is \$847,000 but this year they have only \$450,000 to distribute to the eight air carrier airports in the state.

Mr. Pawluk moved to receive and file the communication from the North Dakota State Aeronautics Commission and that Mr. Dobberstein be authorized to attend.

Second by Gen. Macdonald.

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

Considered Assignment of Lease from Aviation Resources, Ltd. dba Valley Aviation to Union State Bank:

Mr. Dobberstein stated he received a communication from Union State Bank requesting the Airport Authority's approval of an assignment of lease from Aviation Resources, Ltd. dba Valley Aviation to Union State Bank. He stated the property in question is the blue hangar building in the southeast general aviation area adjacent to their fuel farm. Mr. Dobberstein stated after review of this request he has no problem with this request.

Mr. Pawluk moved to approve the Assignment of Lease to Union State Bank as requested by the Hamiltons.

Second by Ms. Jordan.

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

Receive Communications Related to the Flood and Discuss Airport's Involvement:

Mr. Dobberstein stated we briefly discussed some flood concerns with Mr. Welton earlier in the meeting but he has a few more items to add.

Mr. Dobberstein stated the facilities manager of the Armed Forces Reserve Center at the north end of the airport had called him early during the flood and advised that they were experiencing backup from County 10 into their property, although it was not threatening their building at that time. He stated we assisted them in advising Cass County and the county came out that day to break up the ice allowing the flow to continue. He stated that some time later their entire parking lot was under water but to his knowledge no water entered their building. He stated the Reserve people have been in contact with the engineer that designed their facility to see what could be done about this for the future.

Chairman Myers stated he feels we need to take a look at that area since our access road to the air cargo area will be located there and we need to insure that would not be under water.

Mr. Wes Schon, Ulteig Engineers, stated that County Drain 10 drains a large part of Fargo. He stated there are a number of interested parties in County Drain 10 and all have a vested interest in dealing with that problem. He added that when any discussions are held all parties should be present. He stated the runway/taxiway system and aprons were not in jeopardy and were all out of the water.

Chairman Myers suggested Mr. Dobberstein correspond with the Cass County Water Management and advise them that we have some potential problems and that the Airport Authority wants to be involved in planning.

In another flood related matter, Chairman Myers stated during the height of the flood the Airport Authority volunteered its services to the City should they be needed. He stated since the Airport Authority is an autonomous body and is insured separately from the City he asked Mr. Dobberstein to get confirmation in writing from our insurance carrier that our coverage would still apply. Chairman Myers stated the response from our liability carrier indicated that to ensure coverage under our policy for the operation of airport equipment and the employ of airport personnel off airport, it is only necessary to draft a brief letter of understanding to the City which addresses a covenant of "mutual aid." He also referred to memorandums from Human Resources Director Bill Sorenson regarding employee participation in flood assistance activities and workers compensation coverage.

Mr. Dobberstein stated this basically formalized what the Airport and the City have always done in terms of mutual aid. He added that our equipment has always been on the Cass County Emergency Management equipment availability list.

Chairman Myers stated this is obviously a relationship that has worked well over the years but he would like to make sure there are no loose ends and that all issues of concern have been addressed.

Gen. Macdonald moved the Executive Director and Attorney Stewart formulate a written agreement with the City of Fargo, Cass County, and the ND Air National Guard, addressing the matters of mutual aid involving machinery and personnel during emergencies.

Second by Ms. Jordan.

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

Gen. Macdonald also suggested that Chairman Myers and Mr. Dobberstein schedule a meeting at some time in the near future with Mr. Pat Zavoral to review with him the relationship between the Municipal Airport Authority and the City of Fargo.

Received Communication from Pete Haug Regarding Eastside Terminal Restaurant:

Mr. Dobberstein received a communication dated May 1, 1997, from Mr. Pete Haug, regarding the discontinuation of restaurant operations at the Eastside Terminal. In his letter, Mr. Haug stated that since the termination of Dakota Aero Tech's school and the National Weather Service in that facility, along with the influx of restaurants in the area, the operation is no longer profitable. He added that the equipment and entire facility is in need of considerable upgrading and repair. They are requesting the restaurant close on Friday, May 30.

Received Communication from Pete Haug (Barnstormer) Regarding Eastside Terminal Cafe Operation: (Continued)

Mr. Haug was recognized and stated when the new terminal was occupied the Airport Authority requested that the Barnstormer continue to operate the restaurant in the Eastside Terminal.

Ms. Jordan moved to receive and file the communication from Mr. Haug and that the Authority grant their request to close the Eastside Terminal restaurant.

Second by Gen. Macdonald.

Chairman Myers asked Mr. Dobberstein to look into future use for this space and the possibility of including some type of vending operation for the tenants still in the building.

Mr. Dobberstein stated he has never heard a negative word from the City Health Department of the condition of the facilities. He added that he will look into some other options for the space.

Chairman Myers asked for a vote on the motion.

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

Chairman Myers also asked Mr. Dobberstein and Mr. Haug to work on the current arrangement between the Airport Authority and the Barnstormer. He stated the Authority is currently subsidizing the restaurant operation and we possibly need to look at altering the hours of service.

Gen. Macdonald stated he does not disagree with Chairman Myers but in a larger sense he feels providing restaurant services to the public may be an expense that the Authority will have to look at absorbing, such as a lot of other things we provide for the public.

Chairman Myers stated the problem he sees may be helped a bit by altering the hours of operation. He stated most people coming through the airport after 9:00 p.m. are arrivals and do not stop for dinner. He stated some changes may help both parties involved.

Mr. Haug stated their latest counts show they serve only about 20 people in the dining room after 5:00 p.m. He stated they have maintained the hours in the dining room because they have been asked to do so by the Authority.

Gen. Macdonald moved that Mr. Dobberstein and Mr. Haug work on a proposed schedule of operation and services to be offered to be presented to the board at the next meeting.

Second by Ms. Jordan.

Mr. Dobberstein presented to the Authority members some past and recent revenue and expense figures for the restaurant.

Chairman Myers called for a vote on the motion.

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

Discussed Airport Property Damage as a Result of April 1997 Ice/Snow Storm:

Mr. Dobberstein stated the ice/snow storm in April resulted in two incidents of property damage at the airport. He stated two of the five flag poles sustained significant damage as a result of the weight of the ice. He stated this was submitted to North Dakota State Fire and Tornado Fund and they have indicated this loss will be covered.

Mr. Dobberstein stated we also sustained quite a bit of damage on our perimeter security fence. As a result of the weight of the ice and the high winds quite a bit of the top railing on the fence has been damaged. He stated the initial estimate from Dakota Fence Company is \$15,000 \$20,000. He stated an insurance adjuster did come out and we anticipate this work being done for cost of time and materials. He added that four of our five vehicle gates were damaged and due to security concerns we received immediate attention from Dakota Fence for those repairs, which State Fire & Tornado has indicated will be covered. This damage amount was approximately \$5,000.

Discussed Airport Construction Projects:

Mr. Dobberstein stated our Air Cargo Apron and Access Road Project was bid as a multi year project, originally planning to do all of the preliminary work this year and the paving next year. He stated our water and sewer project for the air cargo area will be completed this year, as well as the north general aviation ramp expansion. Mr. Dobberstein stated we will also be completing the repair of the roof on Hangar #2 and even though this will be covered by insurance we will need to cash flow that amount to pay the contractor until we receive our insurance reimbursement.

Mr. Dobberstein stated our total commitments from the airport improvement fund this year total approximately \$3.6 million. He stated our cash balance on April 1 was \$1,584,000 meaning we will be short \$2,112,000. He stated the announcement was made recently that the FAA awarded us \$1.9 million in federal funds for the Air Cargo Apron and Access Road Project. He stated we expect to receive \$972,189 from our 1997 entitlement funds and we do not expect to see the remainder of that \$1.9 million until after October 1, 1997, hopefully some time before January 1, 1998.

Mr. Dobberstein stated last week he received a call from Airborne Express and they have expressed a need for a facility open in Fargo by January 2, 1998. He stated the properties person he has been working with in Seattle has penciled in January 2, 1998 as their first aircraft operation from their new facility. He stated we have received plans and specifications from Airborne which has been sent to three developers, including a local developer, Mr. Ace Brandt.

Mr. Dobberstein stated in order to accommodate their request we will have to complete the entire air cargo apron and have it in place by November 1. He stated we will have to consider some cash flow options for that period of about \$600,000 to \$1 million. He stated we do have a couple of options, the first option being a short term bond through Evenson Dodge, with whom the Airport has worked in the past. He stated he also discussed the matter with the City's interim finance coordinator, Mr. Kent Costin, and he indicated the City could fund the shortfall for an agreed upon interest rate. He stated he would be in favor of an arrangement with the City as he feels we would get a favorable interest rate.

Mr. Dobberstein stated our next step is to meet with Airborne on their proposed plans.

In response to a question from Gen. Macdonald, Mr. Wes Schon, Ulteig Engineers, stated he has met with Mr. Dobberstein on these proposed plans and he recommends we allow room for at least two operators on the ramp. Mr. Schon stated the contractors bid this project as a two year project but he has had conversations with representatives at Northern Improvement about completing the entire project this year. He stated they indicated they felt they could fit it into their schedule. Mr. Schon stated we would then need to prepare a change order changing the date from 1998 to 1997 for completion of construction.

Mr. Pawluk asked if the Airport Authority can direct Mr. Dobberstein to proceed with discussions with the City as well as direct Mr. Schon to continue to work with Northern Improvement on completing the entire project this year in anticipation of getting an agreement with Airborne, or do we need to move ahead with this regardless of Airborne's decision.

Mr. Dobberstein stated he believes that by the next Airport Authority meeting he will have a firm decision from their board of directors.

Chairman Myers stated he feels once Airborne's plans become public knowledge it won't be long before we also hear from other freight operators such as UPS, Federal Express, etc.

Mr. Pawluk moved the Airport Authority authorize the Executive Director to pursue negotiations with the City of Fargo to resolve the anticipated temporary cash flow shortage as well as to proceed with negotiations to allow for completion of the Air Cargo Apron and Access Road Project in 1997.

Second by Gen. Macdonald.

Discussed Airport Construction Projects: (Continued)

Gen. Macdonald stated we can also keep in mind that the Airport Authority has the authority to levy four mills and we are presently at two.

Mr. Dobberstein stated in the near future we will see three developers come before the Airport Authority with requests to lease land in the air cargo area.

Chairman Myers stated when the Airport Authority developed the north general aviation area there were some subsidies provided for parking lots, utilities, etc. to help get that development started. He stated it is his understanding that there will be no subsidies in the air cargo area and the developer will be responsible for all of those items. He added that we will also be gathering information on air cargo operations at other airports.

Chairman Myers called for a vote on the motion.

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

Received Tabulation of Bids and Recommendations of Award for the Air Cargo Apron and Access Road, AIP Project No. 3 38 0017 20, North General Aviation Ramp Expansion Project, and the Air Cargo Apron Area Water and Sewer Project:

Mr. Dobberstein stated Ulteig Engineers, Inc. has provided us with a bid tabulation for the three projects bid at the last meeting. He stated he and Mr. Schon have reviewed the bids and he concurs with the engineer's recommendations to award the projects to award the air cargo and north general aviation ramp projects to Northern Improvement and the air cargo sewer and water project to Municipal Industrial Contracting.

Ms. Jordan moved to accept the recommendation of the Director and Project Engineer and award the Air Cargo Apron and Access Road Project, AIP 3 38 0017 20, to Northern Improvement Company based on their bid of \$1,795,155.50.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad

The motion was declared carried.

Ms. Jordan moved to accept the recommendation of the Director and Project Engineer and award the North General Aviation Ramp Expansion Project to Northern Improvement Company based on their bid of \$1,022,882.50.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad

The motion was declared carried.

Ms. Jordan moved to accept the recommendation of the Director and Project Engineer and award the Air Cargo Sewer and Water Project to Municipal Industrial Contracting based on their bid of \$81,830.00.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad

The motion was declared carried.

Mr. Schon stated a pre construction conference for all three projects will be held Tuesday, May 20, and he anticipates the contractors getting started right after Memorial Day.

Received Communication from Ulteig Engineers, Inc. Reviewing Efforts by Northern Improvement Company to Meet DBE Goals on Projects:

Mr. Dobberstein stated in a communication dated April 29, 1997, from Mr. Wes Schon, Ulteig Engineers, he advised the Airport Authority of the good faith efforts taken by Northern Improvement Company to obtain Disadvantaged Business Enterprises (DBE) for participation in both of their projects. He stated Northern Improvement was able to secure DBE participation of 9.5% on one project and 7.1% on the other. He stated Northern Improvement Company does an excellent job of documenting all of their contacts to qualified DBEs and he would recommend the board accept their good faith effort.

Gen. Macdonald moved the Airport Authority accept the good faith effort shown by Northern Improvement Company to obtain DBE participation in the Air Cargo Apron and Access Road Project and the North General Aviation Area Ramp Expansion Project.

Second by Mr. Pawluk.

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

Approved Letter of Credit Agreement with the Federal Aviation Administration for the Grant Reimbursement Process:

Mr. Dobberstein stated he received information from the FAA Bismarck Airports District Office for enrollment into the Federal Transit Administration's (FTA) Electronic Cleaning House Operation (ECHO) System. He stated this is a system the FAA has had available for the past several years whereby we would receive electronic reimbursement within a day rather than the 30-45 days it normally takes. He added that the City Auditor's Office has had this in place for a while and they have had no problems with it.

Gen. Macdonald moved to authorize the Letter of Credit Agreement with the Federal Aviation Administration for the grant reimbursement process.

Second by Ms. Jordan.

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

Received First Quarter Passenger Facility Charge (PFC) Report:

Mr. Dobberstein distributed a report of the Passenger Facility Charge for the first quarter of 1997. This is required by the FAA and must be reported to the FAA and all airlines making payments to us. PFC revenue received the first quarter totalled \$79,302.80.

Received Update on Assistant Director Position:

Mr. Dobberstein stated he completed the interviews of the candidates and based on those interviews he offered the position to Mr. Darren Anderson and he will begin here on June 2, 1997. He stated Mr. Anderson is presently an assistant to the deputy director at John Wayne Airport in Orange County, CA. He is originally from the area and is a graduate of UND.

Chairman Myers stated Mr. Anderson will be starting at Step 1 in this salary classification. He added that Mr. Dobberstein advised Mr. Anderson to keep records on his moving expenses and the Airport Authority will probably participate in a portion of that. He also stated that he also visited with Mayor Furness and advised him of the Airport Authority's intentions.

Ms. Jordan moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, May 27, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 10:33 a.m.

Regular Meeting

Tuesday

May 27, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held on Tuesday, May 27, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Jordan, Pawluk, Myers

Absent: Macdonald

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 6, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 6, 1997.

Second by Mr. Walstad.

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

Approved the Airport Vouchers Totaling \$41,419.74:

Mr. Walstad moved to approve the airport vouchers totaling \$41,419.74.

Second by Ms. Jordan.

On the call of the roll, members Wasltad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Honeywell, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$237.82 to Honeywell, Inc. for final payment request on cooling tower improvements, as per contract.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$133.73 to Foss Associates for Payment Request for professional services in connection with Hangar #3 wall reinforcement project.

Second by Mr. Wasltad.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Pierce Roofing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,965.63 to Pierce Roofing for final payment request for the Eastside Terminal Partial Reroofing Project, as per contract.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk, Myers.

Absent and not voting: Macdonald

The motion was declared carried.

Received Communication from Fargo Cass Public Health:

Mr. Dobberstein received a communication dated May 21, 1997, from Roger Gould, Food Sanitarian, Fargo Cass Public Health. His letter stated that the restaurant at the Eastside Terminal would require new equipment, floor recovering and much updating in order to meet the present code if another operator were to take over. He suggested the location be closed and put to another use.

Mr. Dobberstein stated at the last meeting, after receiving Mr. Haug's request to close the Eastside Terminal cafe, the Airport Authority requested that he meet with Mr. Haug regarding an action plan for the restaurant in the Westside Terminal and that he also get information from Fargo Cass Public Health with regard to the condition of the Eastside operation and whether or not it would meet the codes. He added that if the restaurant was opened with a new operator it would have to be brought up to code.

Mr. Walstad moved to receive and file the communication from Fargo Cass Public Health.

Second by Ms. Jordan.

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

Chairman Myers state it is his concern that the equipment be removed immediately after the operation is closed. He added he feels it is important to get the area cleaned out as soon as possible.

Mr. Pawluk asked if there has been any fallout from the closure of the restaurant.

Mr. Dobberstein stated it will be a loss of convenience for some of the tenants but he has received only one telephone call regarding the closing.

Chairman Myers called for a vote on the motion.

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

Mr. Dobberstein stated as far as the equipment he will look into anyone interested in purchasing it and disposing of the rest.

Mr. Pawluk suggested an auction sale.

Received Communication from Goldmark Commercial Corporation:

Mr. Dobberstein received a communication dated May 5, 1997 from Jim Buus, Goldmark Commercial Corporation, expressing interest in listing the property the Airport Authority has for sale in the Airport First Addition. Mr. Dobberstein stated he received a copy of the proposed agreement and sent it to Attorney Stewart for his review.

Chairman Myers stated he feels it is a well known fact among real estate agents in the city that the Airport has this property available and that if they brought an interested client to the table they would receive some commission. He added that he does not feel the Airport Authority would gain a thing by listing this property.

Mr. Pawluk stated he feels if the Airport Authority is interested in selling the property it should be listed on the market.

Chairman Myers stated the lots have sold basically for the cost of the special assessments so they are reasonably priced.

Mr. Dobberstein stated he has received a number of inquiries on the available property.

Received Communication from Goldmark Commercial Corporation: (Continued)

Mr. Pawluk moved the Airport Authority authorize the Executive Director to negotiate and enter into a listing agreement with Mr. Jim Buus, Goldmark Commercial Corporation.

Second by Ms. Jordan.

Chairman Myers stated the City for years has had property for sale in the Industrial Park and every realtor in town knows if they find a buyer for a parcel they will receive a commission, even though the property is not listed.

Mr. Pawluk stated he feels nothing has been done to sell that property.

Chairman Myers stated he does not agree that nothing has been done to sell lots in the Airport First Addition because there has been a lot of development in that area over the years.

Chairman Myers called for a vote on the motion.

On the call of the roll, members Walstad, Jordan and Pawluk voted aye.

Myers voted no.

Absent and not voting: Macdonald

The motion was declared carried.

Received Communication from Aviation Resources, Ltd. Regarding Hangar #8 Sublease:

Mr. Dobberstein read a communication dated April 10, 1997, from Dr. Hamilton, Aviation Resources, Ltd. to Mr. Richard P. Anderson (Attorney for Fargo Aero Tech) giving notice of the termination of the lease between Fargo Aero Tech and Aviation Resources for the cinder block building (Hangar #8). This hangar was subleased to Fargo Aero Tech for the use in their A&P school but since the school has closed the lease was terminated.

Mr. Dobberstein stated this hangar is leased to Aviation Resources by the Airport Authority and the airport receives 90% of any rent received through a sublease.

Ms. Jordan moved to receive and file the communication from Aviation Resources, Ltd.

Second by Mr. Walstad.

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

Approve Hangar #8 Sublease Between Aviation Resources, Ltd. and Exclusive Aviation:.

Mr. Dobberstein stated Dr. Hamilton provided him with a copy of the proposed building lease between Aviation Resources, Ltd. and Exclusive Aviation for Hangar #8. He stated Exclusive Aviation will be building P51 Mustang aircraft in the hangar on a temporary basis until they find permanent space. He added that the term of this lease will be May 16, 1997 to October 15, 1997 and Attorney Stewart has reviewed the lease. Mr. Dobberstein recommended the Airport Authority approve this lease.

Mr. Walstad moved the Airport Authority approve the request from Aviation Resources, Ltd. to sublease Hangar #8 to Exclusive Aviation.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Mr. Dobberstein stated the principals of Exclusive Aviation are Ms. Laurel Mahan and Mr. Doug Anderson. He stated their initial request was for 10,000 to 15,000 square feet of hangar space on the airport but we were not able to accommodate their request. He stated they are presently in the process of studying the feasibility of building a facility on the airport in which to locate their operation. Mr. Dobberstein stated the site they would be interested in is the southeast corner of the airport and they would be looking at a building of 20,000 to 25,000 sf.

Approved Cooperative Agreement with the USDA Animal Damage Control for Wildlife Hazard Management Services:

Mr. Dobberstein stated for some time we have had an agreement with the US Department of Agriculture/Animal Damage Control in Bismarck for assistance with wildlife problems on the airport. He stated this proposed Cooperative Reimbursable Agreement will continue our arrangement on the same basis but will allow them to expedite any wildlife damage management activities, especially those concerning public safety threats.

Mr. Dobberstein stated they have provided a great service to us in the past and he recommends approving this agreement.

Mr. Walstad moved to approve the Cooperative Reimbursable Agreement with the US Department of Agriculture/Animal Damage Control.

Second by Ms. Jordan.

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

Authorized Removal of Storage Building Near Hangar #2:

Mr. Dobberstein stated the structure he would like authorization to remove is located just north of the Hertz building and formerly used by the FAA as their RTR building. He stated the FAA abandoned it several years ago and it was given to the Airport Authority. He stated he would like this building removed and our staff will conduct the removal.

Mr. Pawluk moved the Executive Director be authorized to proceed with the removal of the storage building as requested.

Second by Ms. Jordan.

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

Received Communication from the Office of Intergovernmental Assistance on Air Cargo Apron and Access Road Project No. 3 38 0017 20:

Mr. Dobberstein stated he received a letter of clearance from the Office of Intergovernmental Assistance on our Air Cargo Apron, Taxiway, Access Road and Lighting Project No. 3 38 0017 20. He added that this clearance is a required step with federally funded projects.

Mr. Pawluk moved to receive and file the letter of clearance from the Office of Intergovernmental Assistance for AIP Project No. 3 38 0017 20.

Second by Mr. Walstad.

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

Received Communication from City of Fargo Public Works/Utilities Regarding Interest in Purchasing Airport Property Adjacent to the Wastewater Plant:

Mr. Dobberstein stated he receive a letter dated May 19, 1997, from Robert Welton, City Engineer for Utilities, indicating that the City would be interested in obtaining the 5.44 acres of airport land for which they were granted temporary and permanent easements for the wastewater plant at the previous meeting.

Mr. Dobberstein stated the Airport Authority purchased this property with FAA federal funding and if the Authority were to sell the property we would have to reimburse the FAA the current market value of the property. He stated it is his understanding that they want to locate a compost collection site on the property. Mr. Dobberstein stated he would not be in favor of selling this property at this time. He suggested we could enter into a long term lease with the City.

Mr. Pawluk moved to receive and file the communication from Mr. Welton and authorize the Executive Director to discuss a long term lease arrangement and report back to the Airport Authority.

Second by Mr. Walstad.

Received Communication from City of Fargo Public Works/Utilities Regarding Interest in Purchasing Airport Property Adjacent to the Wastewater Plant: (Continued)

Chairman Myers stated he would have some concerns about a compost collection site and he would like to make sure the site would be properly screened, as in the residential areas, and cleaned regularly.

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

Approved Contract for the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20:

Mr. Pawluk moved to approve the contract for the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20 and authorized the Executive Director to issue the Notice to Proceed.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Approved Contract for the Air Cargo Water and Sewer Project and Authorized Issuance of Notice to Proceed:

Mr. Pawluk moved to approve the contract for the Air Cargo Water and Sewer Project and authorized the Executive Director to issue the Notice to Proceed.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald.

The motion was declared carried.

Approved Contract for the North General Aviation Ramp Expansion Project and Authorize Issuance of Notice to Proceed:

Mr. Pawluk moved to approve the contract for the Air Cargo Water and Sewer Project and authorized the Executive Director to issue the Notice to Proceed.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Approved Change Order No. 1 to the Air Cargo Apron and Access Road Project No. 3 38 0017 20:

Mr. Wes Schon, Ulteig Engineers, stated this is the change order the Airport Authority discussed at the last meeting. He stated this change order changes the date of completion from the summer of 1998 to substantially complete and ready for service by November 15, 1997. He added there may be some minor items which are not finished, such as seeding and sodding, which would be completed in 1998.

Mr. Schon stated there are some other minor regulation changes in this change order but those also are at no cost.

Mr. Pawluk moved to approve Change Order No. 1 to the Air Cargo Apron and Access Road Project No. 3 38 0017 20, as outlined.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Received Grant Offer from the Federal Aviation Administration for the Air Cargo Apron and Access Road Project AIP No. 3 38 0017 20 and Authorized Execution:

Mr. Dobberstein stated we received the grant offer from the Federal Aviation Administration for the Air Cargo Apron project. He stated we requested \$972,189 and the amount of the grant offer is \$1,000,009. He explained that the additional \$27,820 is a surplus from our 1996 enplanement funds.

Ms. Jordan moved the Airport Authority receive and file the grant offer from the Federal Aviation Administration and that the Director and Chairman be authorized to execute the grant offer.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Received Update on Airport Improvement Projects:

Mr. Dobberstein stated the Airport Authority was awarded \$115,000 from the North Dakota State Aeronautics Commission from their block grant funds. He stated \$50,000 was awarded for the air cargo apron project, \$50,000 for the north general aviation ramp expansion project, and \$15,000 for AIP Project No. 3 38 0017 17, which was the original north general aviation area ramp project.

Mr. Dobberstein stated the balance in our improvement fund as of May 1, 1997 was \$1,496,984. He stated he has identified all of the projects we have committed to for 1997, including the three construction projects. He stated the total of all projects, including the Hangar #2 roof replacement, balance of cooling tower improvements, balance on the Eastside Terminal roofing project, and balance of our generator installation.

Mr. Dobberstein stated he also identified unrealized 1997 revenue to be applied to our deficit and that amount was \$1,745,852.83, leaving an estimated year end deficit of \$457,639.25 until 1998 Federal entitlement funds are appropriated. He stated this deficit could be realized as early as August once the large payment requests from contractors start coming.

Mr. Dobberstein stated there is also the chance that Congress will not approve the requested Airport Improvement Program appropriation and then our 1998 entitlement funds would be less. He stated as it stands right now it seems there is enough support in Congress to keep funding at its current level.

Mr. Dobberstein stated he has discussed the short term cash flow deficit with Carol Kraft and Kent Costin from the City Finance Office and the possibility of borrowing for a short term from the City or borrowing from our own internal funds in the Operations and Maintenance Fund. He stated we do have sufficient funds in the O&M account to fund the construction shortage for a short period and then pay back that fund. He stated if we went with this option we may hear some concern from the airlines as those funds are for the operation and maintenance of the airport and not improvements. He stated that both Mrs. Kraft and Mr. Costin indicated they did not see any problem with the short term funding.

Mr. Dobberstein added that the figures given do not include our PFC revenue nor the tax levy revenue.

Mr. Dobberstein indicated he would continue to work the City Finance Office regarding our options on financing this short term shortfall.

Adopted Resolution of Sympathy to the Family of Yvonne Barney:

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

WHEREAS, It is with profound sorrow that the Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the passing of Mrs. Yvonne Barney, owner of Dakota Aero Tech, and long time presence at Hector Airport, and

WHEREAS, Hector Airport and the aviation community has lost a dedicated member, and

Adopted Resolution of Sympathy to the Family of Yvonne Barney: (Continued)

WHEREAS, her co workers at Hector Airport have lost a friend who will be deeply missed;

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to the family of Yvonne Barney.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy be forwarded to the family of Mrs. Yvonne Barney.

Second by Mr. Walstad.

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

Chairman Myers Wishes to Discuss Recognition of Former Airport Authority Members:

Chairman Myers stated he felt when the long term members of the Airport Authority left the board (Tom Williams, Sid Cichy, Dick Hentges, Mike Stanton and Buck Gallagher) they did not receive adequate recognition for their many years of service to the community and this airport.

After discussion on the matter and several suggestions, it was decided that the Airport Authority would purchase space in the Airsho '97 program as well as in The Forum's special insert on the aviation prior to the airshow.

Chairman Myers also asked Mr. Walstad to make arrangements to include these individuals in the reception at Seasons/Rosecreek to be given for the Blue Angels during the airshow, as well as some dignitary passes to the Airsho.

Other Business:

Mr. Pawluk asked Mr. Dobberstein to check into the possibility of removing the guardrails in the Eastside Terminal parking lot. He stated many of the rails are in bad shape and should be removed. He added that removing the railings and painting the lot would improve the appearance of the area.

Chairman Myers stated our student intern last summer, Jennifer Slack, designed and implemented our home page on the Internet. He stated he would like to see the Airport Authority give her some remuneration for her work on that. He stated her internship last summer was unpaid she completed the home page during the school year. He asked Mr. Dobberstein to make a recommendation at the next meeting on this matter.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 10, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Ms. Jordan.

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

Time at adjournment was 10:28 a.m.

Regular Meeting

Tuesday

June 10, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 10, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Jordan, Pawluk, Macdonald

Absent: Myers

Others: Stewart

Vice Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 10, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 27, 1997.

Second by Ms. Jordan.

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

Approved the Airport Vouchers Totaling \$42,205.11:

Mr. Walstad moved to approve the airport vouchers totaling \$42,205.11.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Air Mechanical:

Ms. Jordan moved to approve the individual voucher in the amount of \$500.00 to Air Mechanical for final payment request for improvements to the Westside Terminal cooling tower.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Michael J. Burns Architects, Ltd.:

Ms. Jordan moved to approve the individual voucher in the amount of \$12,027.00 to Michael J. Burns Architects Ltd. for Payment Request No. 1 for professional services in connection with the Hangar #2 roofing project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Ms. Jordan moved to approve the individual voucher in the amount of \$22,230.00 to Northern Improvement Company for Partial Payment Request No. 1 for construction of the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Ms. Jordan moved to approve the individual voucher in the amount of \$22,833.00 to Northern Improvement Company for Partial Payment Request No. 1 for construction of the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contracting:

Ms. Jordan moved to approve the individual voucher in the amount of \$69,750.00 to Municipal Industrial Contracting for Partial Payment Request No. 1 for construction of the Air Cargo Water and Sewer Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Ms. Jordan moved to approve the individual voucher in the amount of \$5,281.76 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Ms. Jordan moved to approve the individual voucher in the amount of \$4,555.08 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Air Cargo Water and Sewer Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Ms. Jordan moved to approve the individual voucher in the amount of \$3,408.84 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Received Communication from North Dakota Aeronautics Commission Advising of State Aid in the Amount of \$115,000:

Mr. Dobberstein stated he received a communication dated May 28, 1997 from the North Dakota Aeronautics Commission advising of their action on our request for state aid. He stated we will be receiving \$50,000 toward the Air Cargo Apron and Access Road Project (AIP #3 38 0017 20), \$50,000 toward the North General Aviation Ramp Expansion Project, and \$15,664.29 toward the General Aviation Taxiway, Taxilane and Access Road Project No. 3 38 0017 17.

Mr. Dobberstein stated that the Aeronautics Commission received requests totalling \$1,985,340 and the Commission's allocation was \$460,150. He stated he requested funds for eight projects totalling approximately \$850,000 and we received \$115,664.29.

Ms. Jordan 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.

Received Update on Airport Internet Project:

Mr. Dobberstein stated our intern last summer, Jennifer Slack, has now completed the implementation of our Internet homepage. He stated that her internship was a non paid position and she volunteered her time in order to gain airport administration/ operations experience. He stated he is requesting the Authority approve a payment of \$500 to Jennifer for her efforts on the homepage.

Mr. Pawluk moved the Airport Authority approve payment of \$500 to Jennifer Slack in recognition of her work to implement Hector Airport's homepage on the Internet.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Received Report from Michael J. Burns Architects on Hangar #2 Roofing Project:

Mr. Michael Burns was recognized and reported that the specifications for the roofing project on Hangar #2 are complete with the exception of some final issues. He stated they did a fair amount of research on the method of replacement for this project. He stated they will be adding roof relief vents along the ridge of the building and termination bars around the perimeter of the building.

Mr. Burns stated they will be stripping the roof membrane and replacing the existing fiber board with OSB board. He stated the new roof membrane will have a 100 mph wind uplift warranty whereas the old roof was guaranteed to 65 mph.

Mr. Burns stated they also checked into the possibility of reusing the material now on the roof but that process would be more expensive than buying new materials. He stated new materials would be approximately 40 cents per square foot and to reuse, clean and patch the old material would cost between 50 cents and \$1.00 per square foot. He stated he does not feel it is a practical idea.

Mr. Burns stated another issue we will be looking at is the bidding climate for this project. He stated he did an informal survey of five roofers and they all seemed to be interested in the project. He stated a disadvantage to bidding this time of the year is that bids could come in 20% 30% above reasonable.

Mr. Burns stated it is his recommendation that we advertise the project as soon as possible with a bid opening of July 2 or 3.

Mr. Dobberstein suggested the bid opening coincide with our meeting on July 8.

Mr. Burns stated he would recommend doing it earlier on the second or third.

Received Report from Michael J. Burns Architects on Hangar #2 Roofing Project:
(Continued)

Mr. Dobberstein asked Mr. Burns if there would be any salvage value for the old material.

Mr. Burns stated he was not able to answer that question but he could check with the contractors.

Gen. Macdonald asked how our insurance coverage will be on this project.

Mr. Dobberstein stated he has been in contact with Mr. Roger Buscher, GAB, who is the adjuster representing North Dakota State Fire & Tornado, and he is satisfied with the progress so far. He added that once the plans and specifications have been finalized he will forward a copy to Mr. Buscher.

Gen. Macdonald asked if the Guard is satisfied with everything so far.

Mr. Dobberstein stated he has had some discussion with the base civil engineer, Mr. Ron Solberg, and they will continue to work with him.

Mr. Pawluk asked if the insurance company is going to participate in the cost to upgrade the roof from 65 mph to 100 mph.

Mr. Dobberstein stated Mr. Buscher is aware of the project so far and he has not indicated otherwise.

Mr. Pawluk asked why the other roof failed.

Mr. Burns stated in addition to no venting on the roof there also may have been a problem with the glue attaching the membrane to the fiberboard.

Mr. Dobberstein stated the ND Fire & Tornado Fund retained the services of EAPC in Grand Forks, which is an architectural/engineering testing firm to investigate the roof. He stated the report was just received last week by Mr. Buscher so he has not seen it. He added that if there was improper engineering or installation on the previous roof the Fire & Tornado Fund would subrogate against the interested parties. Mr. Dobberstein stated the insurance company will review the specifications and bids and approval of award would be subject to review by he and Chairman Myers, as well as Mr. Solberg from the Guard and the insurance company.

Mr. Walstad moved to authorize the Executive Director and Chairman to review the plans and specifications with the various concerned parties and that they be authorized to advertise for bids with the opening to be July 2.

Second by Mr. Pawluk.

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

Mr. Pawluk stated he feels it is important that before we award the bid we receive confirmation from the insurance company as to their participation.

Authorized the Purchase of a Riding Mower:

Mr. Dobberstein stated we have two riding lawn mowers which need to be replaced. He stated he decided to consider the replacement of one mower this year (1986 John Deere F910) and the remaining mower (1990 Toro Groundmaster) next year. He stated the airfield staff has recommended, and he concurs, that we purchase the mower from Ford Tractor of Fargo, the New Holland CM272, for a bid price of \$16,659. He added that it is his intent to standardize the units for parts and attachment utilization and the replacement next year would be the same unit. The unit to be replaced next year is also utilized with a broom/sweeper attachment during the winter for snow removal in the terminal building area.

Mr. Ron Olson, equipment mechanic, was recognized and stated that there were several reasons the John Deere unit did not meet specifications but the main reasons were that it was a 22 hp unit and we requested 25 hp, and that the cab in that unit is too small and the engine air intake circulates through the cab, which is not efficient.

Authorized the Purchase of a Riding Mower: (Continued)

Ms. Jordan moved the Airport Authority accept the recommendation of management and authorize the purchase of the New Holland CM272 at a cost of \$16,659 and that the unit this will be replacing be included in the City's auction sale this fall.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Mr. Dobberstein stated we have a number of pieces of equipment which he would like declared surplus and put in the surplus auction. He stated he would like a subcommittee appointed to review this with he and Mr. Olson in time for auction this fall.

Gen. Macdonald asked this matter be deferred until the next meeting when Chairman Myers can make those appointments.

Received Communication from Aviation Resources, Ltd. Requesting a Ground Lease for the Construction of an Aircraft Hangar and the Approval of the Proposed Hangar Facility:

Mr. Dobberstein read a letter he received this morning from Dr. Clif Hamilton, Aviation Resources, Ltd., requesting approval of a ground lease for the construction of an aircraft hangar and approval of the hangar facility. They also request an assignment of lease for this property from Aviation Resources, Ltd. to First National Bank of North Dakota.

Mr. Bob Ames, Foss Associates, was recognized and stated their firm has prepared plans and specifications for an aircraft hangar to be located east of Valley's present facility. He stated the new hangar will be identical in size, height, color and finish. He stated the proposed plans have been approved by the City Planning Commission and they are now waiting for a reply from the FAA on their shadow study. Mr. Ames stated they are looking at construction starting in mid August.

Mr. Dobberstein stated our leases with FBOs require no ground rental provided the fees paid to the Airport Authority on their sales exceed the amount of ground rental. He added that we have been having some discussion on changing the definition on the 1.5% paid to the airport.

Mr. Dobberstein stated one of his concerns is that the legal description of the lease area is correct, including the required green space.

Mr. Dobberstein stated the Airport Authority could approve Dr. Hamilton's request today, subject to the FAA's approval of the building and shadow study.

Mr. Pawluk asked if Chairman Myers has had a chance to review this proposal.

Mr. Dobberstein stated this is the first we have seen this.

Dr. Hamilton was recognized and stated they have been waiting three months for word from the FAA on this shadow study.

Mr. Pawluk stated he does not want to stand in the way of progress on this project but this is the first the Airport Authority has seen this proposal and Chairman Myers has not yet had a chance to review it. He indicated he did not feel he was prepared to approve anything today.

Dr. Hamilton stated it was his impression that the other ground leases are for the size of the building only except for a foot or two on the side of the building and this was done for tax reasons. He stated he realizes it is different in the T hangar area.

Gen. Macdonald stated he has some concerns about the Airport Authority designating lots in an area for development and then not requiring that the lessor lease the entire lot, so in this instance "Lot 3A", the lot in question, would mean nothing.

Mr. Pawluk moved this request be tabled until the next meeting at which time Chairman Myers and Mr. Dobberstein can come before the board with a recommendation.

Second by Ms. Jordan.

Received Communication from Aviation Resources, Ltd. Requesting a Ground Lease for the Construction of an Aircraft Hangar and the Approval of the Proposed Hangar Facility:
(Continued)

Gen. Macdonald stated he does not like to cause a delay for this building should the FAA's approval come through before the next meeting.

Mr. Pawluk stated apparently this project has been in the works for three months yet this is the first the Airport Authority has seen it. He stated he feels the Airport Authority should have some time to become acquainted with the issue.

Mr. Dobberstein stated he does not have any problem with approving the request to build the hangar. He stated his concern is making sure that the ground lease is adequate. Ms. Jordan asked Mr. Dobberstein if he was comfortable that the question of the lot size and the land lease could be worked out even if the hangar is approved today.

Mr. Dobberstein indicated he did not see any reason to delay approval of the hangar.

Gen. Macdonald called for a vote on the motion, Pawluk voted yes.

Walstad, Jordan and Macdonald voted no.

The motion failed.

Mr. Walstad moved the Airport Authority approve the request from Dr. Hamilton for the construction of the proposed hangar, subject to the review and approval by the Mr. Dobberstein, Mr. Myers, Mr. Stewart and the FAA, and contingent upon an agreeable land lease.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved Assignment of Lease from Aviation Resources, Ltd. to First National Bank of North Dakota:

Mr. Dobberstein stated he received a request from Dr. Hamilton that the land lease for the proposed hangar be assigned to First National Bank of North Dakota.

Mr. Pawluk moved to approve the assignment of lease from Aviation Resources, Ltd. to First National Bank of North Dakota, subject to the approval of Attorney Stewart.

Second by Ms. Jordan.

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

Received Report from Obermiller Nelson Engineering Regarding Tug Concourse HVAC Analysis:

Mr. Dobberstein stated the Airport Authority retained the services of Obermiller Nelson Engineering to do an analysis of the HVAC system in the tug concourse area. He stated this was prompted by complaints from the airline employees that they were not getting adequate air flow in the tug concourse area when the door between their operations area and the tug concourse is closed. The Fire Inspector has required that this door be closed at all times. The employees claim when the door is closed the environment changes. Mr. Dobberstein stated after the Airport Authority has had a chance to hear Mr. Obermiller's report he will have his recommendation on the agenda for the next meeting, at which time they can make a walk through inspection of the area.

Mr. Dave Obermiller was recognized and gave an overview of how the HVAC system in the building works and how air flows through the building when doors are open. He explained that the airlines operate equipment in the tug concourse area and the system is designed so that when a certain level of carbon monoxide is detected an exhaust

Received Report from Obermiller Nelson Engineering Regarding Tug Concourse HVAC Analysis:
(Continued)

system is activated. He stated in his inspection he found that the damper system was not operating as it was designed and in the winter when the system called for air to enter the dampers all of the cold air went into the boiler room and froze out the boiler so the vents were covered and are no longer operational. He stated so now instead of the vents taking care of the carbon monoxide level the system takes air from any source it can and when the door between the operations area and tug concourse is open it takes air from the front of the building through the front doors. He stated this has been a problem in the winter and making sure the openings to the back are closed would eliminate this problem.

Mr. Obermiller stated he feels there are three options to solve the problem with the air in the tug concourse:

Option 1: Find another area in the building for the Northwest Airlines break table. He stated it is his understanding that the original design of the building had the break room within the operations area but it is now used as a storage area.

Option 2: Provide a self contained air handling unit for the Northwest Airlines tug concourse area.

Option 3: Build an enclosure around the area in question which would contain glass so they were able to see the operation.

Mr. Obermiller stated it is his personal opinion that the airlines should replace their tug units with more efficient operating units such as electric or propane which would take care of the carbon monoxide problem in the tug area.

Mr. Obermiller stated another problem with the area is that the employees smoke in that area which would rule out Option 3 if they are going to continue to smoke.

Gen. Macdonald asked if the baffle/vent system, which is no longer operating, could be modified so that it would operate properly.

Mr. Obermiller stated we could have problems with that because right now the tug area is not air conditioned yet by keeping the door to the operations area open the people in the back are getting cool air through the door so they are comfortable. He stated if the vent system were operating and on a 95 degree day the system required air to handle the carbon monoxide it would be the hot air from outside coming into the tug concourse area.

Mr. Obermiller stated he feels a major consideration is the cost of the air conditioned air going into the tug concourse area through the opened door and then escapes through the overhead doors in the tug area. He added this also causes the heat pumps work to capacity in the summer.

Mr. Obermiller stated he will get some cost estimates for these three options.

Gen. Macdonald stated he feels we need to look at providing a safe work space but he would be in favor of relocating the break table in another area.

Mr. Dobberstein stated their actual "break" area is within the operations space but there is a table in the tug area where the employees sit until flights come in and this is the area with the problem.

Mr. Pawluk stated he has been in the gate area in the winter when a Northwest flight comes in and the door to the jetway opens and you can feel the cold air flowing through almost immediately.

Mr. Pawluk stated he would not be in favor of building a separate room for this table for Northwest Airlines. He stated the Airport Authority has an obligation to make some adjustments to the HVAC system but at the same time we will require that the system be allowed to work as it is intended to work, and that means the door to the tug concourse remains closed. He added he also feels we should enforce the no smoking regulations in this building.

Mr. Obermiller indicated he would have an estimate at the next meeting on Option #2 to provide a self contained air handling unit for the area.

Considered Agreement With Fargo Park District for a Proposed Soccer Complex:

Mr. Dobberstein stated he and Attorney Stewart had made corrections to the previous proposed agreement between the Fargo Park District and the Municipal Airport Authority for a soccer complex on airport property and we have now received the amended lease. He stated he forwarded this to the FAA Airports District Office in Bismarck and Mr. Tom Schauer indicated he had no problem with the lease as it covered the requirements the FAA has as far as temporary use and maintaining the aviation interest of the property.

Mr. Pawluk asked if the sign advising of the temporary nature of the use of the land was included in the lease.

Gen. Macdonald agreed it is important for it to be very clear that this is being done as a courtesy to the Fargo Park District but the lease is such that we can require them to vacate the premises in 60 days. He asked Attorney Stewart to include a paragraph that the lessor insists on adequate signage explaining the temporary nature of the agreement.

Mr. Dobberstein stated in his last conversation with Mr. Roger Gress was that their plans had been delayed because of the flood and they would not commence on the project until 1998.

Mr. Pawluk moved the Airport Authority approve the lease agreement with the Fargo Park District for a soccer complex, subject to the addition of language on signage being added to Paragraph 15 of the lease.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved Agreement Between the Municipal Airport Authority and Arnold W. Larson:

Gen. Macdonald explained that this proposed Promissory Note between the Airport Authority and Arnold W. Larson will insure that we are a secured creditor for the balance due on his farm lease account.

Mr. Pawluk moved to approve the Promissory Note between Arnold W. Larson and the Municipal Airport Authority as presented.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Jordan, Pawluk and Myers voted aye.

Absent and not voting: Myers

The motion was declared carried.

Approved Addendum to JP Development Lease for a Temporary Parking Lot:

Mr. Dobberstein stated a few weeks ago JP Development requested a land lease for a temporary parking lot, which was approved subject to a lease being negotiated. Mr. Dobberstein stated the addendum to the lease has been completed and the temporary parking lot has been constructed.

Mr. Walstad moved to approve the addendum to the JP Development Lease for the temporary parking lot.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Absent and not voting: Myers

The motion was declared carried.

Received Update on Airport Disaster Drill:

Mr. Dobberstein stated that on May 28 we held an Airport Disaster Drill. He stated a number of agencies participated and the drill was successful. He stated tomorrow morning there is a review meeting at the Guard at which time the drill will be critiqued.

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated the crews have been busy on all three projects as the payment requests today reflected. He stated the water and sewer project in the air cargo area is installed. Northern Improvement has started moving dirt on both ramp projects. There was a slight delay due to rain last week but we should start seeing things move at a quicker pace.

Mr. Dobberstein stated he prepared a balance sheet showing the three projects, the bid amount, amount paid to date and balance due.

Gen. Macdonald stated Mr. Dobberstein has been negotiating with the City of Fargo on a temporary loan until we receive our Federal reimbursements. He asked if we have a formal agreement with the City for this arrangement.

Mr. Dobberstein stated he has a letter from the City Finance Office stating they will allow us to transfer funds from the O&M fund to the Improvement Fund on a temporary basis until our federal reimbursements are received and we will then put those funds back into the O&M Fund. He stated by doing this it will cost us the 5.51% interest we would have been receiving on those funds but we would have to pay 6.75% interest if we were to borrow the funds from the City. He added that things are progressing well.

Other Business:

Gen. Macdonald welcomed Darren Anderson, Assistant Director, to the staff.

Mr. Dobberstein stated Mr. Anderson incurred some expenses in moving from California and he recommends the Airport Authority participate in those costs.

Mr. Walstad moved the Airport Authority reimburse Darren Anderson 50% of his moving expenses, \$1,120.00, as recommended by the Executive Director.

Second by Mr. Pawluk.

On the call of the roll, members Walstad, Jordan, Pawluk and Macdonald voted aye.

Mr. Dobberstein gave a brief update on Airborne Express. He stated Airborne is waiting for proposals from two developers, one from Kansas City and one local developer and we should be hearing something from them after those have been received and reviewed.

Mr. Pawluk now absent.

Gen. Macdonald stated with regard to the new arrangement with the car rental agencies, we need to come up with a standard reporting form which we are comfortable with, as we indicated we would develop.

Gen. Macdonald asked the status of the advertisement honoring former Airport Authority members.

Mr. Dobberstein stated that has been taken care of and will appear both in the Airsho brochure and special insert in The Forum honoring all former Airport Authority members with photos of the five immediate past members and Mr. Parmer.

Mr. Walstad moved the Airport Authority authorize up to \$300 to purchase tickets to the Airsho and Blue Angels Reception for the current and immediate past members of the Airport Authority.

Second by Ms. Jordan.

On the call of the roll, Walstad, Jordan and Macdonald.

Absent and not voting: Pawluk, Myers

The motion was declared carried.

Mr. Walstad moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, June 24, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Ms. Jordan.

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

Time at adjournment was 11:05 a.m.

Regular Meeting

Tuesday

June 24, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 24, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Pawluk, Myers

Absent: Jordan

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 10, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 10, 1997.

Second by Mr. Walstad.

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

Approved the Airport Vouchers Totaling \$40,867.96:

Gen. Macdonald moved to approve the airport vouchers totaling \$40,867.96.

Second by Mr. Walstad.

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

Absent and not voting: Jordan.

The motion was declared carried.

Approved the Individual Voucher to Forum Publishing Company:

Mr. Walstad moved to approve the individual voucher in the amount of \$218.88 to Forum Publishing Company for advertisement for bids for the Hangar #2 roof project.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Michael J. Burns Architects:

Mr. Walstad moved to approve the individual voucher in the amount of \$4,091.55 to Michael J. Burns Architects for Payment Request No. 1 for professional services in connection with the Hangar #2 roofing project.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Received Communication from the City of Fargo Finance Office:

Mr. Dobberstein stated he received a letter dated June 2, 1997 from Carol Kraft, Interim City Auditor, confirming that the City of Fargo is willing to "loan" funds to the Airport Construction Account for the shortfall that may develop from project payments that may be made prior to receiving funds expected. These funds would come from the City of Fargo's pooled cash and interest would be charged on a monthly basis. The rate presently charged is 6.549%. Another option would be to use the balance from the airport's O&M fund prior to charging interest or charge interest to the construction fund and pay interest to the O&M fund. The pooled cash rate being paid out at the present time is 5.51%.

Mr. Dobberstein stated he would favor the option of borrowing from ourselves.

Chairman Myers stated he asked if it is possible to borrow the money from our O&M at the higher interest rate and then recoup the cost of the interest through PFC funds.

Mr. Pawluk moved the Airport Authority receive and file the communication from the City Finance Office.

Second by Gen. Macdonald.

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

Mr. Pawluk moved the Airport Authority authorize Mr. Dobberstein to borrow funds as needed from the O&M fund, charging the interest rate currently charged by the City at the time the funds are transferred.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan.

The motion was declared carried.

Received and Filed Communication from Northwest Airlines:

Mr. Dobberstein receive a communication dated June 17, 1997, from Mr. John DeCoster, Regional Director/Airport Affairs, Northwest Airlines responding to issues relating to Northwest's operations at Hector International Airport.

His letter indicated that curbside service is offered at stations where there is a continuous and high volume of passenger traffic. It is used to augment the check in lines at the main ticket counters and process a high volume of passengers more quickly. With the situation at Fargo where there is only one scheduled aircraft on the ground at any given time, the volume criteria is not met. In addition to the cost of providing the service there simply would not be enough work to keep the staff busy.

Coupling that with the very short walking distance from the curb to the ticket counter would result in costly duplicate service that cannot be justified by the conditions that are in place.

Mr. DeCoster indicated the issue of the jetbridge is a more complex one. While it might be desirable to have ultimate flexibility to handle irregular 747 operations at all airports, it is not something they have the luxury of doing as they have to prioritize their capital investment options. He indicated at this time they are not interested in selling their jetbridge to the Airport Authority if it is going to result in any increase in cost of operations at Fargo. He stated they had a similar request at Grand Forks and in that case the airport agreed to grant Northwest Airlines free use of the bridge for life in exchange for allowing the airport to install its bridge. He indicated they would entertain a similar arrangement at Fargo.

Gen. Macdonald moved to receive and file the communication from Northwest Airlines.

Second by Mr. Walstad.

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

Received and Filed Communication from Northwest Airlines: (Continued)

Chairman Myers stated the Airport Authority has three options:

1. Buy a new, latest state of the art jetway.
2. Repair the damaged jetway.
3. Do nothing.

Gen. Macdonald agreed that we need to get a new jetway on our list of PFC projects. He stated he feels there should be some attainable middle ground on this matter. He stated it sounds like Northwest would not agree to a new jetway unless they were able to use it free of charge.

Mr. Pawluk stated he feels what will happen is the Airport Authority will fund a 747 capable jetbridge with PFC funds and whether or not Northwest works with us we need to move ahead with our plan.

Chairman Myers stated he has had an opportunity to talk to two airline pilots on the matter. The pilot with Northwest indicated we will never see 747s serving Fargo. He also talked to a captain with Sun Country Airlines and he indicated they are planning to move to larger aircraft. He stated the charter companies are using larger aircraft.

Gen. Macdonald stated we also have a letter on file from Northwest Airlines indicating they would never have jet service to Fargo.

Mr. Dobberstein stated if charter companies run 747s into Fargo someone at the airport will have to provide equipment to service the larger aircraft. Mr. Dobberstein stated he finds it hard to believe that a company would bring a 747 here without the adequate equipment being available to service that aircraft.

Chairman Myers stated there are still a lot of "what if's" for which we need answers.

Mr. Dobberstein stated our liability insurance inspector was here recently and we will get a report of his visit soon. He stated he indicated that in his report he will include comments on the increased liability to an airport by owning jetbridges. He added that airports should definitely not get involved in the responsibility of tow bars.

Mr. Pawluk moved the Airport Authority adopt a resolution in favor of proceeding with the purchase and ultimate installation of a 747 capable jetbridge.

Second by Gen. Macdonald.

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

Chairman Myers asked Gen. Macdonald to work with Mr. Dobberstein on the matter of a jetbridge and to report back to the Airport Authority and alternate boarding options, along with further details on the PFC submittal.

Received Communication from the Fargo Fire Department Regarding the Possible Establishment of Shelterbelt on Airport Property:

Mr. Dobberstein stated he received a letter dated June 12, 1997, from Chief LeDoux, Fargo Fire Department, regarding the large amounts of snow accumulation near the Riviera Mobile Home Park. During times with large amounts of snowfall the park is virtually inaccessible to emergency vehicle travel. They believe that the proper design of trees planted in an east to west direction on airport property directly north of this location would have significant impact within three or four years or sooner, depending upon the type of trees planted. It is their opinion, and that of the City Forester's, that this type of snow control would be more effective, more cosmetically appealing, and less costly than the methods used in the past.

Mr. Dobberstein stated the residents of the trailer park have been working with John Wesolowski, City Forester, and Cass County Soil Conservation regarding the size and type of shelterbelt. Mr. Dobberstein stated this property is presently under one of our farm leases so it would be taken out of production.

Received Communication from the Fargo Fire Department Regarding the Possible Establishment of Shelterbelt on Airport Property: (Continued)

Attorney Stewart stated the Airport Authority may want to consider including a condition in any agreement with the trailer park that the residents of the park recognize the existence of the airport and will agree not to have any complaint against the airport.

Mr. Pawluk moved to receive and file the communication from the Fire Chief and authorize the Director to continue working with the Fire Department, Forestry, Attorney Stewart, and the residents of Riviera Mobile Home Park.

Second by Mr. Walstad.

Mr. Pawluk stated he also thinks we should consider the placement of a sign by the shelterbelt indicating that this is airport property which the Authority has allowed to be used for the purpose of a shelterbelt to benefit Riviera Heights.

Chairman Myers called for a vote on the motion.

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

Received Copy of Plans and Specifications for Hangar #2 Roof Project:

Chairman Myers stated he and Mr. Dobberstein reviewed the plans and specifications prepared by Michael J. Burns Architects for the Hangar #2 roof project and everything looked okay, with the exception of one discrepancy. He stated in the minutes from the meeting at which Mr. Burns presented his proposed plans for the project he stated they would be replacing the existing fiberboard on the roof with OSB board. He stated there is no mention of that in the plans and he would like clarification on this matter.

Gen. Macdonald stated it was his understanding that the existing boards were part of the reason for the failure as the roofing material did not adhere to the boards.

Chairman Myers stated another issue that came up was the Guard's involvement in this project. He stated Mr. Dobberstein indicated that Mr. Ron Solberg stated that they did not want anything to do with the project. He stated if that is the case he would like that in writing from the Guard.

Mr. Pawluk suggested the matter be tabled until Mr. Burns is contacted.

Mr. Dobberstein left the meeting to call Mr. Burns and returned with information that Mr. Burns was not able to be reached at this time.

Mr. Pawluk moved to authorize the releasing of plans and specifications for the Hangar #2 roof project subject to clarification of the matter of the OSB board and any other questions we may have and to extend the bid date by addendum if necessary.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Discussion of Airport Job Descriptions:

Gen. Macdonald moved the job description and class specification of the Executive Director be submitted to Mr. Bill Sorenson, Human Resources, for review and evaluation. He stated he would like the job description and salary be updated as the present description does not take into account all of the responsibilities involved in this position.

Second by Mr. Walstad.

Chairman Myers stated the intent of this is to move the salary upward so we are more in line with similar airports in the region. He added that this was the suggested approach by the City Commission. Chairman Myers stated both he and Gen. Macdonald will work with Bill Sorenson and Mayor Furness to resolve these issues.

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

Discussion of Airport Job Descriptions: (Continued)

Mr. Pawluk asked Mr. Dobberstein if he felt that the classifications for the rest of the staff are satisfactory.

Mr. Dobberstein indicated at this time they are satisfactory.

Chairman Myers stated July 9 will mark the end of Mr. Dobberstein's first six months in the Director's position. Chairman Myers stated when the Authority appointed Mr. Dobberstein to this position a probationary period was set in the event he was not able to satisfactorily perform in this capacity.

Chairman Myers stated that the fact that Mr. Dobberstein has done a good job goes without saying and he would like to suggest that at the next meeting the Airport Authority certify that he has satisfactorily fulfilled the requirements of the position and that the probationary period has been satisfied.

Chairman Myers stated he has talked with Human Resources regarding the evaluation of a management position but he did not feel the sample evaluations he was given fit our scheme.

Mr. Pawluk stated it was his understanding that the probationary period was one year but he supports what Chairman Myers is saying. He stated as a management tool he feels Mr. Dobberstein deserves to have a six month review.

Chairman Myers stated he would like to see Ms. Jordan involved in this evaluation process as that is her area of expertise. He added that the Authority has not had a reason for many years to evaluate the Director. He stated he feels we want to be in a position to have an adequate evaluation process in place. He asked the Authority members to visit with each other before the next meeting and that Ms. Jordan chair a committee to develop an appropriate evaluation process.

Considered Balancing Change Order and Final Close Out for the Westside Terminal Generator Project:

Mr. Dobberstein stated we have received the final payment request from Rickard Electric in the amount of \$9,550 for the Westside Terminal Generator Project. He added that Change Order #2 involved the changing of some electrical outlets at the electrical vault for the utilization of the portable generator.

Mr. Joel Kath, Ulteig Engineers, was recognized and stated that the new generator project is now complete and today we are running on the generator as requested by NSP under their peak shaving program.

Mr. Pawluk moved to authorize final payment to Rickard Electric for the Westside Terminal Generator Project, and that Change Order #2 be approved.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Considered Proposals from Goldmark Commercial Corporation Regarding Airport First Addition Property:

Mr. Dobberstein stated we were presented with two options for an Exclusive Authorization to Sell between the Airport Authority and Goldmark Commercial Corporation for available land in the Airport First Addition. Mr. Dobberstein stated the only difference in the two proposed options involve those parties which have previously shown an interest in purchasing the property. Option #1 gives these three parties 90 days from the effective date of the agreement in which to purchase the property and no commission will be charged. Option #2 obligates the Airport Authority to pay only half of the commission (3%) to Goldmark should one of these three parties purchase the land during the term of the agreement. He added that Goldmark had originally asked for a seven percent commission and we arrived at six percent.

Mr. Dobberstein stated he feels Option #1 is more favorable.

Considered Proposals from Goldmark Commercial Corporation Regarding Airport First Addition Property: (Continued)

Chairman Myers stated it is his opinion that the Authority should not be entering into an exclusive agreement with any one realtor.

Attorney Stewart stated legally the Airport Authority can enter into this agreement and the property will be listed in the multiple listing system.

Mr. Pawluk moved to approve the proposed Exclusive Authorization to Sell (Option #1) between the Municipal Airport Authority and Goldmark Commercial Corporation.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Mr. Dobberstein added that he did receive information on the estimated value of the lots from Mr. Marv Heaton at the Assessor's Office and that information was given to the members.

Discussed Airport Signage Improvements:

Mr. Dobberstein stated he and Darren Anderson met with Rick Lane, City Traffic Engineer, regarding signage at the airport. He stated one matter they discussed was signage within the city identifying the alternate route to the airport during winter storms. He stated we are looking at signs directing south bound traffic on University Drive to 8th Avenue North and west on 8th Avenue North which eventually turns into Dakota Drive leading to the airport terminal. He stated they are working with the Public Works Department about also having a sign at the entrance for the frontage road to Dakota Drive just east of the 12th Avenue bridge. He stated Publics Works has not yet identified this as a snow emergency route but that is being discussed.

Mr. Dobberstein also presented a plan for signage in front of the terminal building as well as some additional traffic paint. He stated the additional signs will make it clearer that there is no parking in front of the terminal building and the cross walks will be painted.

Gen. Macdonald moved the Director be authorized to implement the signage proposal as presented.

Second by Mr. Pawluk.

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

Received Communication Regarding Airport Emergency Exercise Conducted May 28, 1997:

Mr. Dobberstein stated the Airport Emergency Exercise was held May 28, 1997 and a review meeting was held June 11. He distributed a written report on the exercise. Mr. Dobberstein stated our FAA Certification Inspector, Barbara Dettmer, is here this week conducting our certification inspection and this is part of her inspection.

Mr. Walstad moved to receive and file the review of the Airport Emergency Exercise.

Second by Gen. Macdonald.

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

Considered Requests by Currier Company and City of Fargo Public Works/Utilities to Purchase Airport Property:

Mr. Dobberstein stated we have received requests from two parties to purchase airport property. He stated the request from Currier Company/Dakota Fence is for a small parcel of land, approximately 1.5 acres, west of Old 81. He stated the Curriers own the property next to this site. He stated the airport purchased this property with federal funds.

Considered Requests by Currier Company and City of Fargo Public Works/Utilities to Purchase Airport Property: (Continued)

Mr. Dobberstein stated the second request is a request we have discussed previously. He stated the City of Fargo Public Works/Utilities would like to purchase approximately 5.5 acres just north of the sewage plant and south of 37th Avenue. He stated we previously granted temporary and permanent easements for this parcel.

Mr. Dobberstein stated both of these properties were purchased with federal funds and based on a recent conversation with our FAA Airports District Office in Bismarck, the FAA has changed their program and the FAA no longer requires that the airport reimburse the FAA for the value of the lot but we must simply agree to reinvest the funds in airport development. He stated although there is a lot of paperwork it is a much easier process. Mr. Dobberstein added that he would recommend approving the sale of these lots and that we begin the process with the FAA.

Gen. Macdonald moved the Airport Authority enter into negotiations with the FAA to gain approval to sell the two parcels of property as requested.

Second by Mr. Walstad.

Chairman Myers stated his concern is that the City does not turn that piece of property into a dumping ground if they intend to use it for a compost collection site.

Mr. Pawluk stated he has received some complaints about the Dakota Fence site and selling them this additional parcel further enhances their ability to make it be an eyesore unless we attach some conditions.

Chairman Myers stated this site is not in a residential neighborhood.

Chairman Myers called for a vote on the motion.

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

Authorized Removal of the Stairway Structure from the Eastside Terminal Building:

Mr. Dobberstein stated the stairway structure which served the jetways on the Eastside Terminal is in need of repair but it serves no purpose so he is recommending it be removed. He stated it will cost approximately \$1,000 to \$1,500 for repairs to maintain the door access to the ramp for fire exit purposes.

Mr. Walstad moved the Director be authorized to proceed with the plan to remove the stairway structure from the Eastside Terminal as proposed.

Second by Mr. Pawluk.

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

Absent and not voting: Jordan

The motion was declared carried.

Received Update on International Air Cargo Meeting Held June 16, 1997:

Mr. Dobberstein stated the meeting held June 16 on international air cargo,co hosted by the Airport Authority and the Fargo Chamber of Commerce, was well attended. He stated the basic intent of the meeting was to generate some interest among the large exporters in the area. There was also some interest and discussion on a foreign free trade zone and he has made some contacts to gather information on that.

Chairman Myers stated he was unable to attend the meeting but he talked with Mr. Dobberstein following the meeting and there seems to be some concern that we are competing with Grand Forks without any dialogue. He stated that it is his feeling that we are pursuing the complete airport package and Grand Forks is not an element of this particular equation. He stated he discussed this with Mayor Furness at length and discussed comments he has heard on why we are not working with John Kramer. He stated he went to Mr. Kramer's office recently with information on a free trade zone and he mailed it back indicating "thanks, but no thanks." Chairman Myers stated it is

Received Update on International Air Cargo Meeting Held June 16, 1997:
(Continued)

his opinion that the Airport Authority needs to continuing going down our path to make this a complete airport and the Mayor was in agreement with that. He stated if anyone else wants to come in and join forces with us we will work with them.

Mr. Dobberstein stated our air cargo area has been developed because of a demand for this facility. He added that he is expecting follow up information from the Metropolitan Council of Governments with some information on resources they may have available to assist us.

Received Preliminary 1998 Budget Information:

Mr. Dobberstein stated somewhat unexpectedly the City moved up their budget process by about 30 days so the information he has put together is preliminary. He stated in reviewing our 1998 project revenues and expenses we are looking at about a \$170,000 deficit at this time. He stated one revenue source that will cease is income we have received from Frontier Airlines, which will end in September. He stated in order to make up this deficit he is looking at three possibilities:

1. Increase landing fees
2. Increase in fuel flowage fee from two cents to five cents per gallon
3. Adjustment in parking rates

Mr. Dobberstein stated our leases with the airlines include a landing fee formula which allows for adjustments in the landing fees to offset anticipated shortages in revenue and debt service.

Chairman Myers stated since our landing fees are based on weights and if airlines are considering using smaller aircraft we may need to develop another method for landing fees and be prepared for the future.

Mr. Dobberstein stated he is not certain these three recommendations will totally satisfy the projected deficit. He also stated he does not want to rely on the case reserve in our O&M fund for any significant contribution to the deficit. He indicated the terminal building is now over ten years old and we will need substantial funds in the near future for rehabilitation of such items as the roof membrane, departure lounge carpet, exterior siding paint/replacement, etc. He anticipates these items will take place over the next two to five years. Mr. Dobberstein added that our goal should be a minimum of \$750,000 to \$1,000,000 in our cash reserve.

Mr. Dobberstein stated the Airport Authority also needs to certify its mill levy to the Board of City Commissioners by July.

Chairman Myers asked the members to review this preliminary budget information and be prepared to discuss it at a future date.

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, stated the rain caused some delay for us last week but they put in a lot of storm sewer on the air cargo side and all of the earthwork and initial grading work for the air cargo ramp has been completed.

Mr. Schon stated all of the lime treated subgrade for the North General Aviation Ramp is in and again the rain has caused some delay in the next process. He stated overall we have made good progress.

Adopted Resolution of Congratulations to Mr. Jack K. Daniels:

Gen. Macdonald offered the following resolution of congratulations to Mr. Jack K. Daniels and moved its adoption:

WHEREAS, The Municipal Airport Authority of the City of Fargo, has learned of the retirement of Mr. Jack K. Daniels, and

WHEREAS, Mr. Jack Daniels been a valuable and dedicated member of the aviation community and has served the North Dakota Aeronautics Commission and the entire state of North Dakota, exceedingly well, and

WHEREAS, Mr. Jack Daniels, through his untiring devotion and dedication to duty, has been instrumental in many aspects of aviation in the state.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt congratulations to Mr. Jack Daniels for his many years of dedicated service and wish him the best in his well deserved retirement.

BE IT FURTHER RESOLVED, that this resolution be inscribed upon the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Mr. Jack Daniels.

Second by Mr. Walstad.

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

Received Update from Obermiller Nelson Engineering Regarding HVAC System Analysis:

Mr. Dobberstein stated Mr. Obermiller was unable to attend today's meeting but is being represented by Mr. Bob Ames, Foss Associates. He stated Mr. Ames can give an update and then following the meeting the Authority was planning to take a tour.

Mr. Ames was recognized and stated Mr. Obermiller reviewed his findings with him but he asked him to address the matter from a architectural standpoint.

Other Business:

Chairman Myers appointed Mr. Pawluk to serve with him on a subcommittee to work with Mr. Dobberstein to review airport equipment and establish a list of surplus equipment.

Chairman Myers stated there was discussion at the last meeting on Dr. Hamilton's request to lease land for another hangar. He stated the leases incorporate the ground the building sits on as well as additional land required by city fire codes. Chairman Myers stated Dr. Hamilton's proposed building is 30,000 sf and to meet building code the lease would require 33,000 sf. He stated there is an issue of taxes on the additional 3,000 sf. He stated the taxes are three cents per square foot and on the additional 3,000 sf. we are talking about \$90 per year. Chairman Myers stated the Airport Authority has established a leasing policy whereas the lessee leases the entire area and we get away from those "green areas" being maintained by the Airport Authority.

Dr. Hamilton was recognized and stated it was suggested by Attorney Stewart that the tenant agree to take care of the "green area" but that it not actually be under lease so the tenant would not have to pay property tax.

Other Business: (Continued)

Chairman Myers stated in order to provide a favorable environment for tenants he asked Mr. Marv Heaton, City Assessor's Office, to evaluate the excess land on an agricultural rate for tax purposes. Chairman Myers stated he feels it is important that the Authority no longer be responsible for these "green areas" and that they all be under lease to tenants. He stated the minimum amount of land that must be leased is the size of the building plus any other land required by city building and fire codes.

Chairman Myers stated even though a structure has a four hour fire wall it cannot be built to the property line because then the footings are on the next lot.

Gen. Macdonald stated if the airport has designated lots and a tenant does not lease the entire lot you get to a point where you have area left over that is unable to be used.

Mr. Schon stated another consideration in this discussion is the fact that the airport invests a lot of money in ramp and taxiway to serve these areas and if use of the area is not maximized you then find yourself needing to spend more money on pavement. He added that airports are unique in that aspect and are not necessarily developed the same as other areas.

Chairman Myers stated he feels there needs to be very specific definition to property and clearly spell out what is expected of the tenant. Chairman Myers stated he would like to get this issue resolved and he does not feel it is that difficult.

Gen. Macdonald stated if the excess land in any lot is unsuitable for future development then the entire area should be part of the lot. In this case, if the portion of land in Lot 3A that Dr. Hamilton does not wish to lease is unsuitable for any other development the entire lot should be included in the lease.

After further discussion, Mr. Walstad stated that right now Mr. Dobberstein and Chairman Myers have the authority to negotiate the lease terms with Dr. Hamilton and present it to the Authority for approval and in the interest of time he asked that they continue discussion with Dr. Hamilton and come back to the board with a recommendation.

Mr. Walstad moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 8, 1997 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 11:37 a.m.

Regular Meeting

Tuesday

July 8, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, July 8, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Pawluk, Myers

Absent: None

Others: Stewart, Bromenschenkel, Macleod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 24, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 24, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$42,816.30:

Ms. Jordan moved to approve the airport vouchers totalling \$42,816.30.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Forum Publishing Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$85.28 to Forum Publishing Company for advertisement for bids for Hangar #2 roofing project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$195,727.50 to Northern Improvement Company for Payment Request No. 2 for construction of Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$99,289.98 to Northern Improvement Company for Payment Request No. 2 for construction of North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,178.42 to Ulteig Engineers, Inc. for payment request (final) for engineering services in connection with the Westside Terminal Generator Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Obermiller Nelson Engineering:

Gen. Macdonald moved to approve the individual voucher in the amount of \$130.00 for engineering services in connection with the Westside Terminal Tug Concourse HVAC Analysis.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Chapin Construction Bulletin:

Gen. Macdonald moved to approve the individual voucher in the amount of \$453.60 to Chapin Construction Bulletin for advertisement of invitation for bids for Hangar #2 roofing project.

Second by Mr. Pawluk.

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

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

Received Bid Tabulation for Hangar #2 Roofing Project:

Mr. Dobberstein stated bids for the Hangar #2 roofing project were received on July 1, 1997. He indicated two bids were received and a bid tabulation was distributed.

Herzog Roofing, Inc. Detroit Lakes, MN

Base Bid \$175,215.00

Unit Prices s/f to Replace Insulation Board \$1.15 s.f.

Unit Prices s/f to Replace Wood Blocking \$2.25 s.f.

MJ Dalsin Roofing West Fargo, ND

Base Bid \$244,920.00

Unit Prices s/f to Replace Insulation Board \$.85 s.f.

Unit Prices s/f to Replace Wood Blocking \$1.75 s.f.

Received Bid Tabulation for Hangar #2 Roofing Project: (Continued)

Mr. Pawluk asked for an explanation of the reason the low bidder on the base bid would have significantly higher unit prices on those items.

Mr. Michael Burns was recognized and stated he cannot answer that. He stated that we requested unit prices on these items so that we have some control over any additional costs on the project.

Chairman Myers asked if the specifications included a minimum amount of insulation board that would need to be replaced.

Mr. Burns indicated nothing was specified as we have no way of knowing that until the project begins. He added that it is ultimately the owner and the architect who will make the decision on board replacement.

Gen. Macdonald asked if the unit pricing is hard or can it be negotiated.

Mr. Burns stated he has never negotiated a unit price. He stated quite often the unit prices are never used.

Chairman Myers suggested talking with Mr. Herzog on the matter.

Mr. Burns stated he is confident Herzog is capable of doing a fine job on this project and received good comments from the references he checked. He stated they anticipate the project to take a seven man crew twenty days to complete.

Mr. Walstad moved to receive and file the bid tabulation for the Hangar #2 roofing project.

Second by Ms. Jordan.

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

Awarded Bid for Hangar #2 Roof Project, as Recommended by Michael J. Burns Architects:

Mr. Pawluk moved the Airport Authority award the bid for the Hangar #2 roof project to Herzog Roofing, Inc., as recommended by the architect, Mr. Michael Burns.

Second by Mr. Walstad.

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

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

Received Report from Mr. Mike Coleman, APCOA, Inc., Regarding Parking Rate Proposal:

Mr. Dobberstein stated he received a communication from Mr. Mike Coleman, APCOA, Inc., with a proposal for a rate change in the long term parking lot. Mr. Dobberstein stated our current daily maximum in the long term lot is \$4.50 and the proposed maximum rate is \$5.00 per day. He also added that they will be offering a weekly rate of \$30.00 in the long term lot. Mr. Dobberstein stated Mr. Coleman's proposal includes a lot of information on comparative rates at other airports.

Mr. Pawluk asked the reason for the weekly rate rather than just the daily rate.

Mr. Mike Coleman stated this feature is a result of recent customer surveys which have suggested a weekly rate.

Chairman Myers asked if the increase should be larger.

Mr. Coleman stated the proposed rates are at the mid to lower level of airports in the region.

Chairman Myers stated the parking lot revenue generated is a user fee levied to those using the airport and are not punitive fees. He stated this revenue is used to maintain the airport.

Gen. Macdonald stated he would not be comfortable with a substantial increase at this time but he would have no problem with the proposed increase.

Mr. Pawluk moved to receive and file the communication from APCOA, Inc. and that the Airport Authority approve the proposed rates effective August 1, 1997.

Second by Mr. Walstad.

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

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

Received Update from Victor Gelking Regarding Proposed Hangar Expansion Project:

Mr. Dobberstein stated that some time ago Mr. Victor Gelking was before the Airport Authority with a proposal to put an addition on the south side of his hangar. The Airport Authority approved the proposal presented at that time. Mr. Dobberstein stated Mr. Gelking previously received approval from the Airport Authority to build a 20' addition to the south side of his hangar and that any modifications in the security fence be done at his expense.

Mr. Gelking stated he had a difficult time finding a contractor last year so he was not able to follow through with the construction until now.

Chairman Myers asked Mr. Gelking if he has received approval of his building plans by the City of Fargo and if he has their letter of approval.

Mr. Gelking indicated his plans have been approved by the City of Fargo and his contractor has the letter of approval.

Mr. Pawluk moved the Airport Authority authorize Mr. Gelking's request pursuant to receiving a letter of approval from the City Building Inspector confirming satisfaction of building codes.

Second by Gen. Macdonald.

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

Authorized Attendance at Air Service Meeting:

Mr. Dobberstein stated a few weeks ago the Airport Authority members authorized our participation in a jet service feasibility study from Denver to cities in North Dakota. He stated the ND Aeronautics Commission coordinated a proposal, along with Mr. Jim DeLong, Director of the Denver Airport, to commence a study to be conducted by a Denver consulting firm, Simat, Helliesen & Eishner (SH&E). He stated this study would provide information for the air carriers serving Denver at this time to justify the feasibility of the markets in North Dakota (Fargo, Bismarck, Grand Forks, Minot) and Aberdeen, SD.

Mr. Dobberstein stated the results of this study should be available later in July and the Aeronautics Commission has arranged for a meeting with the Denver Airport officials in Denver on July 28.

Mr. Dobberstein stated Great Lakes/United Express has not reinstated its service to Denver and is concentrating on its Chicago service. He added that the Western Pacific/Frontier merger should be complete in the next two weeks. He stated they are presently in 25 markets and they are looking at adding two or three markets and there is a possibility Fargo might be one of those markets.

Mr. Dobberstein stated the ND Aeronautics Commission had arranged for a fly drive analysis to be conducted by the Kiehl Hendrickson Group, but because of funding shortfalls had to cancel the project. He stated we could look into having this firm come before the Airport Authority and make a proposal on conducting such a study for Fargo.

Gen. Macdonald stated he has done quite a bit of research on air fares on the Internet and it is obvious that we need to know more about what we can do to entice competition to Fargo. He added that there is a substantial western market in this area.

Mr. Dobberstein stated the outcome of this study would be information on our market area, such as who is driving to Minneapolis or Sioux Falls and which airlines are those passengers using. He stated the public is looking for additional service and we want them to know that we are doing something. He added that letters of support from businesses and the public have been used in the past to attract airlines to Fargo but they mean nothing according to the airlines. The support never develops once the airline begins service.

Gen. Macdonald stated there are things we can do to get another carrier here. He added that he does not feel any of the airlines that have chosen to leave have lost any money, they simply chose to move the equipment to more lucrative markets.

Mr. Dobberstein stated our attempts to secure another carrier in no way discredits Northwest Airlines as they are providing excellent service to our area.

Authorized Attendance at Air Service Meeting: (Continued)

Gen. Macdonald stated he would like to know what the Airport Authority can do to entice other airlines.

Ms. Jordan stated she feels we should also look into finding out what incentives other partners involved in this issue of economic development could offer.

Gen. Macdonald stated he is not prepared to say that he would never be in favor of any inducements for airlines.

Chairman Myers stated information he gathered at the AAAE conference meeting was that incentives and subsidies to airlines do not work and they do not guarantee an airline will stay.

Ms. Jordan stated incentives may or may not work but there certainly must be solutions and we need to find them.

Gen. Macdonald moved the Director be authorized to attend the air service meeting in Denver.
Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye.
No member being absent and none voting nay the motion was declared carried.

Reviewed Airport Capital Improvement Plan:

Mr. Dobberstein stated each year we are required to submit an Airport Capital Improvement Plan to the FAA. He added that today at 1:00 there will be a meeting with Mr. Tom Schauer, FAA Airports District Office in Bismarck and representatives of the ND Aeronautics Commission to review and discuss our plan.

Mr. Dobberstein stated we have heard some good news from Washington. The House of Representatives has authorized \$1.7 billion in airport funding from the Airport Improvement Program for fiscal year 1998, rather than the \$1 billion proposed by the president. He added that based on preliminary figures we may have a small surplus in our 1997 and 1998 entitlement funds, which went toward the Air Cargo Apron project. He stated he has identified some projects that may qualify for discretionary funds in 1998, as these are items our FAA Certification Inspector has identified as safety items, but funding levels are uncertain.

Mr. Pawluk stated he would like to see Item #3 (Rehabilitate Taxiway B3 and South GA Apron) moved to the number two slot and Item #2 (Rehabilitate Air Carrier Apron) down to #3. He stated if we are going to continue to operate general aviation facilities in the southeast side of the airport we need to start setting some priorities and making some improvements.

Mr. Wes Schon, Ulteig Engineers, stated our only hope to get any additional money for projects in 1998 would be to get discretionary funds. He added in order to get discretionary funds a proposed project must have a priority code of 60 or higher and at this point he does not even know if 60 is high enough to get discretionary funds.

Mr. Dobberstein explained that Item #1, Relocate Airport Beacon, received a high priority code. He stated we recently acquired a tower structure from the National Weather Service through surplus property on which the beacon will be relocated. It has been the Airport Authority's plan for a number of years to eventually remove the tower structure on the Eastside Terminal (third through seventh floors), requiring a new location for the beacon.

Mr. Pawluk moved to receive and file the Airport Capital Improvement Program with the recommended change of Item 2 being Rehabilitate Taxiway B3 and South GA Apron and Item 3 being Rehabilitate Air Carrier Apron.

Second by Walstad.

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

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, reported that the rain has again caused delays but Northern Improvement deserves a lot of credit for being out there working absolutely whenever it is possible. He stated we should start seeing some pavement in a week or so. He stated the contractors are ready to go, they just have to wait for some dry weather. He added that once we get to the point where the weather will allow us to pave we will see rapid progress.

Other Business:

Chairman Myers stated on behalf of the Airport Authority that the Fargo Airsho Committee did an outstanding job and put on an excellent air show.

Mr. Walstad (Co chairman of the Airsho Committee) commented that all of the performers had an outstanding time. He said the Blue Angels felt this was the best show they had all year. He stated we saw approximately 20,000 per day for a total of 40,000 both days, which exceeded our last show by 10,000 or better. Mr. Walstad stated the airport staff was fantastic and did a super job of cooperating. He stated we heard some hostile comments about the traffic but overall they have received positive comments.

Mr. Pawluk stated he has received some inquiries from some citizens regarding the status of the situation with Avis Rent a Car and pending litigation.

Upon advice of Attorney Stewart it was determined that a closed meeting be held following this meeting for the purpose of having an attorney consultation. It was noted that this was for the purpose of discussing civil litigation and was for no other purpose.

Gen. Macdonald moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, July 22, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Walstad.

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

Time at adjournment was 10:32 a.m.

Regular Meeting

Tuesday

July 22, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 22, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Pawluk, Myers

Absent: None

Others: Stewart, Macleod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 8, 1997:

Gen. Macdonald moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 8, 1997.

Second by Mr. Walstad.

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

Approved the Airport Vouchers Totalling \$46,979.59:

Gen. Macdonald moved to approve the airport vouchers totalling \$46,979.59.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$420.00 to Midwest Testing for quality testing services in connection with the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$280.00 to Midwest Testing for quality testing services in connection with the North General Aviation Ramp Expansion Project.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$8,257.00 to Municipal Industrial Contracting for Partial Payment Request No. 2 for construction of the Air Cargo Water and Sewer Project.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers 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 \$1,457.90 to Ulteig Engineers, Inc. for Partial Payment Request for engineering service in connection with the Air Cargo Water and Sewer Project.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers 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 \$10,750.13 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers 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 \$6,976.41 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Received Communication from Obermiller Nelson Engineering Regarding Tug Concourse HVAC System:

Chairman Myers stated Mr. Dobberstein received a communication from Mr. David Obermiller dated July 22, 1997. After their review of the existing mechanical construction drawings they have determined a good location for the proposed make up air handling units (MAU's) for the concourse. The MAU's will bring in air directly from the outside and preheat the air during cool weather to 70 degrees. The MAU's would be designed to provide approximately 75% of the air exhausted by the existing carbon monoxide exhaust system. This would leave the concourse with a negative pressure which would ensure that the carbon monoxide does not get into the main terminal. The MAU's would be interlocked to operate with the carbon monoxide exhaust fans. The MAU's would be installed on stands outside the tug concourse and use natural gas to warm the outside air in the winter. In the summer or during warm weather the MAU's would simply bring in outdoor air. This will probably make the tug concourse area a bit warmer in the summer because it would not be drawing air conditioned air from the main terminal. Estimated cost of installation is approximately \$36,000 with design costs of about \$3,500.

Received Communication from Obermiller Nelson Engineering Regarding Tug Concourse HVAC System: (Continued)

Another matter Mr. Obermiller looked into was the cost to install a small air conditioning unit above the baggage handling work area. The equipment would consist of a 2 ton blower coil unit, similar to a home furnace without the heating capacity. An air cooled condensing unit would be located outside the building to get rid of the heat. Estimated cost of installation: \$8,000.

Chairman Myers stated since Mr. Obermiller is not here today he asked that the members review the material received today and before the next meeting take a tour of the area.

Mr. Walstad moved to receive and file the communication from Mr. Obermiller.

Second by Mr. Pawluk.

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

Air Service Discussion with Kiehl Hendrickson Group:

Mr. Dobberstein introduced Mr. Steve Hendrickson, Kiehl Hendrickson Group, who is here to make a presentation on a fly drive market analysis. He stated at the last meeting the Airport Authority discussed conducting a study to identify passengers driving to Minneapolis or Sioux Falls rather than flying out of Fargo.

Mr. Hendrickson was recognized and referred to a recent article in Consumer Reports referring to Fargo as an "exploited orphan" in the air travel industry. He stated he paid 67 cents a mile to come to Fargo today and the article mentioned an average of 59 cents a mile to Minneapolis. He stated he was not surprised to hear that Fargo had become an orphan or a market which Northwest Airlines has been able to exploit, as he was in the route planning department with Republic Airlines from 1984-1986. Mr. Hendrickson stated at that time the battle for supremacy in the Minneapolis hub was still underway and passengers were still able to enjoy reasonably affordable fares to Minneapolis. He stated with the merger in 1986 competition in the Minneapolis Fargo route more or less ceased so Fargo has been a great market for Northwest.

Mr. Hendrickson presented historical statistics on fares and passenger traffic showing when fares are low the traffic goes up and when fares are high traffic goes down. Mr. Hendrickson stated an airline considering serving Fargo will look at the history of other recent carriers and ask why they should expect any more success than previous airlines. He reviewed some air service goals of other cities and measures they took to secure or retain airline service. He stated in a lot of cases some cities have formed community support groups made up of the chamber of commerce, economic development group, etc.

Mr. Dobberstein stated if we were to have this study conducted we would have something to show an airline interested in serving Fargo and could also be used in working with our current carriers to increase service and meet some needs not currently being met. He stated the purpose of this study is not to discredit our current carrier but to grow their service.

Mr. Dobberstein stated he feels the Airport Authority would receive support and participation in the study from the Fargo Cass County Economic Development Corporation, the Fargo Chamber of Commerce, F M Convention and Visitor's Bureau, etc.

Ms. Jordan stated she agrees there are a variety of groups that could help facilitate dialogue on this matter and with this type of study we would have some current data to review and then find a solution.

Gen. Macdonald asked if the Authority sees this study primarily as a means to drive Northwest's prices down.

Mr. Hendrickson stated Northwest Airlines is doing exactly what they should do as a monopolist.

Ms. Jordan stated she feels the purpose of the study would be to find out if there is an untapped market and if there is, where is it and how do we get it? She stated there are a lot of businesses making decisions on whether or not to locate in Fargo based on the access of air service to Fargo.

Air Service Discussion with Kiehl Hendrickson Group: (Continued)

Chairman Myers asked if this matter is solely the responsibility of the Airport Authority or should we be getting support and assistance from other groups.

Gen. Macdonald stated the Authority needs to decide what type of study should be done and then we need to sell these other agencies on their participation.

Ms. Jordan stated she feels it is the Authority's responsibility to gather the data and know that we have enough information to talk to the major players and get their assistance. She stated we may even need to expand the survey throughout the state because what we do will impact the other airports in the state.

Chairman Myers stated he feels this group can be the precipitating element in this matter but he does not feel the Airport Authority should be the sole source of the funding for this study.

Mr. Pawluk stated Mr. Hendrickson must have a sense of what the board wants to accomplished and asked what that would cost.

Mr. Hendrickson stated feels an essential part of an appropriate air service campaign strategy for Fargo would be to have its homework done before approaching an airline. He stated inclusive in this study should be information on why, despite failures in the past, they will succeed in the Fargo market. He stated Northwest Airlines will fight voraciously to keep this market.

Mr. Hendrickson stated he knows the Fargo market pretty well and he feels the next tier of viable markets would be Chicago and Denver, even though other carriers have tried and failed. He stated one reason for failure may have been that the equipment they were using was too large for the market. He stated we need to look at why they failed and fix it. He stated the 50 seat regional jets that have been emerging in the industry are nice aircraft and would work well in this market.

Mr. Dobberstein stated United Express currently offers non stop service from Fargo to Chicago on the Brazilla and the response to this service has been excellent.

Chairman Myers stated we need to keep in mind that Northwest Airlines is, and will continue to be the major player in this market and we need to consider them in our goals.

Mr. Pawluk stated he feels we just think we are looking for another airline to serve Fargo but what we are really looking for is more reasonable fares.

Gen. Macdonald stated he is looking for another airline to serve Fargo.

Ms. Jordan moved that Mr. Dobberstein continue working with Kiehl Hendrickson Group and that we get a formal proposal outlining the various outcomes such as market potential and economic impact.

Second by Gen. Macdonald.

Mr. Hendrickson stated the airlines receive a lot of information from travel agencies and he feel this would be the best source of information. He stated they would need the cooperation of the travel agents and in essence would review the tickets they write.

Chairman Myers called for a vote on the motion.

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

Consider Proposals to Purchase Eastside Terminal Cafe Equipment:

Mr. Dobberstein stated he has had a couple of restaurant equipment suppliers in Fargo look at the equipment in the Eastside Terminal cafe and he would like to be authorized to negotiate with buyers on items in which they are interested. He stated a great deal of the equipment is not able to be used because of codes.

Ms. Jordan moved the Authority authorize the Executive Director to find the most expedient manner in which to dispose of the surplus equipment in the Eastside Terminal cafe.

Second by Gen. Macdonald.

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

Received Report and Recommendation from Bonnie Jordan Regarding Executive Director's Classification:

Ms. Jordan distributed a brief report to the board members on the evaluation and classification of the Executive Director's position.

Ms. Jordan stated with regard to the evaluation process that in her conversations with Human Resources she has found that a specific format for the evaluation of directors does not exist. She stated it is appropriate to give the Executive Director feedback in an organized fashion and therefore she recommends that each member of the Municipal Airport Authority complete a written review of the Executive Director to be compiled either by the Chairman or her, with a review session to be held with the Chairman and the Director in order to discuss the compilation of the evaluations and provide feedback for the Director.

Ms. Jordan stated that job classifications within the City of Fargo are based upon a classification system which begins with a position description questionnaire (PDQ). This PDQ becomes the basis for the classification of the job and the finalization of the "class specification" or job description. The job classification determines pay level. The last time a PDQ was conducted for the Executive Director's position was March 1993 and at that time the board did not sign off on that form. She stated she is recommending the position of Executive Director of the Municipal Airport Authority be reviewed for potential reclassification and that process would include:

- a. The completion of a PDQ by the existing Director
- b. A review of that PDQ by the Chairman of the Municipal Airport Authority for accuracy.
- c. Submission of the completed and reviewed PDQ to the Human Resources office of the City of Fargo for their submission to Fox Lawson & Associates for review and recommendation.

Mr. Pawluk moved Ms. Jordan be authorized to continue the process as outlined and recommended.

Second by Mr. Walstad.

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 1998, as Per Section 2 06 14 of the North Dakota Century Code:

Gen. Macdonald moved to certify to the Board of City Commissioners a two mill levy for airport improvements for 1998, as per Section 2 06 14 of the North Dakota Century Code.

Second by Mr. Pawluk.

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

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

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, was recognized and reported on progress on the construction project. He stated the lime base for the general aviation ramp expansion project has been laid and they started paving this morning. He stated they will be paving daily on the general aviation ramp and when they are not doing that they will be doing prep work for the air cargo apron. Mr. Schon stated they are right on track as far as the construction schedule and things are progressing as well as can be expected.

Other Business:

Mr. Pawluk asked for an update on air cargo development.

Mr. Dobberstein stated he is still waiting for word from Airbone Express. He stated he met with Airborne managers from Fargo and Sioux Falls last week. He added that he has run into delays on the corporate level due to individuals being on vacation at different times but he has stressed to them the importance of moving quickly as our construction season is short.

Chairman Myers stated at the last meeting there was discussion on parking rates in the long and short term parking lots and he indicated the revenue generated from the parking lot is one way that users of the airport who do not live in Fargo and pay taxes toward our mill levy can contribute to the cost of operating the airport. He stated it was not his intention to single out Moorhead and imply that they do not participate in community joint ventures with Fargo. He stated we enjoy a tremendous amount of cooperation with Moorhead.

Mrs. Millie Macleod was recognized and stated that there are many project where Fargo and Moorhead participate on a 50 50 basis even though Fargo is larger. She also reminded the board that it was Moorhead and Clay County that worked toward a true regional airport and it was the communities with smaller airports in Cass County that did not participate. When asked for a report on Moorhead's airport she stated that the airport is doing fine and was built for the Moorhead Industrial Park and as a compliment to Hector Airport, not a competitor.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 12, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Walstad.

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

Time at adjournment was 10:39 a.m.

Regular Meeting

Tuesday

August 12, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 12, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Wasltad, Macdonald, Jordan, Pawluk and Myers

Absent: None

Others: Stewart, Bromenschenkel, Macleod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 22, 1997:

Mr. Wasltad moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 22, 1997.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totalling \$41,069.89:

Mr. Pawluk moved to approve the airport vouchers totalling \$41,069.89.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Obermiller Nelson Engineering:

Ms. Jordan moved to approve the individual voucher in the amount of \$767.50 to Obermiller Nelson Engineering for professional services in connection with tug concourse HVAC analysis.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Dakota Fence Company:

Ms. Jordan moved to approve the individual voucher in the amount of \$24,380.84 to Dakota Fence Company for Payment Request No. 1 for security fence repairs (reimbursed by North Dakota State Fire & Tornado Fund).

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Ms. Jordan moved to approve the individual voucher in the amount of \$187,969.50 to Northern Improvement Company for Partial Payment Request #2 for construction of Air Cargo Apron and Taxiway Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Ms. Jordan moved to approve the individual voucher in the amount of \$681,301.31 to Northern Improvement Company for Partial Payment Request #3 for construction of North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Ms. Jordan moved to approve the individual voucher in the amount of \$1,320.00 to Midwest Testing for quality testing services for the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Ms. Jordan moved to approve the individual voucher in the amount of \$2,940.00 to Midwest Testing for quality testing services for the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Ms. Jordan moved to approve the individual voucher in the amount of \$13,657.25 to Ulteig Engineers, Inc. for engineering services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Ms. Jordan moved to approve the individual voucher in the amount of \$11,698.89 to Ulteig Engineers, Inc. for engineering services in connection with North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk, and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Received Update from Obermiller Nelson Engineering Regarding Tug Concourse HVAC Analysis:

Mr. Dobberstein stated at the meeting of July 22, the Airport Authority received a communication from Mr. David Obermiller, Obermiller Nelson Engineering, with recommendations on modifications to the HVAC system in the tug concourse area. He stated Mr. Obermiller continues to investigate ways we can improve the tug concourse HVAC system and its operation.

Mr. Obermiller stated they have been reviewing how to provide make up air for the tug concourse area other than the present way which takes air from the main area of the terminal. He stated they are proposing installing two make up air handling units which would bring in air directly from the outside and preheat the air during cool weather to 70 degrees. In the summer or during warm weather the MAU's would simply bring in outdoor air. He stated the make up air units would be controlled by a sensor that would come on when the carbon monoxide reaches a certain level. He stated the pressure in the tug area would remain negative so that we would not have to worry about that air entering the main part of the building. Estimated cost of installation is approximately \$36,000 and \$3,500 for design costs.

Chairman Myers asked what kind of energy savings we see from these changes.

Mr. Obermiller stated the biggest savings would be from not having the air conditioned air from the main part of the terminal going into the tug area.

Chairman Myers asked if there are any further precautions we should be looking at with our new generator in place and any possible leaks.

Mr. Obermiller stated he feels that the proposed modifications would take care of any possible leak from the new generator.

Chairman Myers stated he feels we should take measures and add the necessary detector to make sure this exposure is covered as well.

Chairman Myers stated the Authority has spent a lot of time on this matter and it is his feeling we should go ahead with the make up air units and authorize Mr. Dobberstein to work with Northwest Airlines on any further modifications such as air conditioning in that area.

Mr. Pawluk asked if making necessary modifications to allow the present system to operate the way it was designed is a viable option.

Mr. Obermiller stated if modifications were made so the louvers operated we would still have problems in the winter with cold air entering the tug area through the vents.

Chairman Myers stated we have been fighting the problem with the doors between the tug concourse area to the main part of the building and the cold air flowing through in the winter. Keeping the doors closed as required then causes the carbon monoxide level in the back to increase.

Mr. Pawluk stated he feels that first of all we should insist the doors be closed and allow the existing system to work as it was designed. He added that he is not ready to spend \$36,000 to modify a system that has not been allowed to work.

Mr. Obermiller stated keeping the doors to the airline operations areas will stop the air flow somewhat but there are a number of openings to the back which are also opened frequently and allow the flow of air.

Mr. David Heck, Building Engineer, was recognized and stated if he runs the fans in back to exhaust the carbon monoxide and louvers are left open he then is not able to heat the tug concourse area.

Mr. Pawluk asked Mr. Heck if he feels the solution to the problem is the make up air units.

Mr. Heck stated he feels it will definitely help.

Mr. Obermiller stated this is not a complete solution but it will help.

Chairman Myers stated with the new make up air units we will know with a good deal of reliability that our carbon monoxide detection system is working. He added he would like to see the Authority do what it can to make the building as safe and comfortable as possible to the people who work in the building.

Received Update from Obermiller Nelson Engineering Regarding Tug Concourse HVAC Analysis:
(continued)

Gen. Macdonald moved to approve the modifications as proposed, excluding air conditioning, and that Obermiller Nelson Engineering be directed to prepare plans and specifications.

Second by Mr. Walstad.

Ms. Jordan asked what else can be done to enforce keeping the door between operations and the tug concourse closed.

Chairman Myers indicated the fire inspection on his last report indicated that was the last warning on the door and the next violation would result in a fine.

On the call of the roll, members Walstad, Macdonald, Jordan and Myers voted yes.

Mr. Pawluk voted no.

The motion was declared carried.

Chairman Myers added that Mr. Dobberstein should continue to correspond with Northwest Airlines and if they wish to purchase the air conditioning unit they may and they would also be responsible for its operation and maintenance.

Received Communication on Behalf of Paul Bernabucci Regarding Hangar Lease:

Mr. Dobberstein stated Attorney Stewart received a communication dated July 23, 1997 from Mr. Gregory B. Selbo, Nilles Law Firm, on behalf of Mr. Paul Bernabucci, requesting the effective date of his lease be amended to June 27, 1997.

Mr. Dobberstein stated in January 1997 the Airport Authority received a request from Mr. Bernabucci to waive any rental until the concrete floor is poured, which would mean a partial payment for 1997. The Airport Authority on February 19, 1997 voted to keep the lease effective date October 1, 1996 but to waive the lease payment for October, November and December of 1996.

Mr. Dobberstein stated Mr. Bernabucci never came forth to sign the lease and his reason was that he had not yet received a letter of approval from the FAA for construction of his hangar. Mr. Dobberstein stated the Airport Authority committed the property to Mr. Bernabucci and he has had building materials stored on the site since last fall. Mr. Dobberstein stated the Airport Authority has put forth a good faith effort in accommodating requests by Mr. Bernabucci and expending funds to provide utilities to the area. He stated a lot of the delay in his dealings with the FAA were basically his own fault and not this board's.

Mr. Dobberstein stated his position on this is that we are now out another six months of ground rental but would recommend we put this behind us and move on.

Gen. Macdonald stated he agrees with Mr. Dobberstein, however, it is time we instruct our legal counsel to draw leases that are binding upon the individual at the time set by the Airport Authority. He stated he is disappointed that we allowed Mr. Bernabucci to store his buildings materials on the site at no charge. He stated he does not want to see this happen again.

Mr. Dobberstein stated in April the Airport Authority approved the Construction Guidelines and included in that is the requirement that the lease is effective the date the land is committed.

Gen. Macdonald stated our only option seems to be for the Authority not to sign the lease.

Gen. Macdonald moved to receive and file the communication on behalf of Paul Bernabucci and approve the lease effective date of June 27, 1997.

Second by Mr. Pawluk.

Mr. Dobberstein stated that Mr. Bernabucci is responsible to reimburse the Airport Authority for a share of the cost of the utilities and he would like that included in the new lease.

Chairman Myers called for a vote on the motion.

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

Received Communications from Valley Aviation and Fargo Jet Center:

Mr. Dobberstein stated the Authority members have received copies of communications from Fargo Jet Center dated August 8, 1997 and Valley Aviation dated August 5, 1997, regarding an incident on July 29, 1997. He stated he was out of town that date but Mr. Darren Anderson was advised of the situation and Mr. Ken Pawluk was also aware of the incident as he was in the area that day.

Mr. Dobberstein stated the incident involved the accommodation of a Gulfstream II aircraft that had arranged for services at Fargo Jet Center. He stated due to congestion because of the construction the aircraft was not able to taxi to Fargo Jet Center. Mr. Dobberstein stated as of yesterday afternoon we made available all of the new concrete in the north general aviation area.

Mr. Dobberstein stated the incident is on record as the Fargo Jet Center reported it to the FAA. Mr. Dobberstein stated the FBO's have been reminded that there is no aircraft parking allowed along taxilanes and line personnel should not impede an aircraft's ability to taxi.

Gen. Macdonald stated he feels this is a situation that is over and done with but if these types of situations continue he would propose a south side taxilane and pass the cost on to the two FBO's. He added that he is not prepared to do this at this time but would be should situations such as this continue.

Gen. Macdonald moved to receive and file the communications from Fargo Jet Center and Valley Aviation.

Second by Ms. Jordan.

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

Approved the 1998 Operations and Maintenance Budget:

Mr. Dobberstein stated the members have had an opportunity to review the proposed 1998 Operations and Maintenance Budget. He stated we are still looking at a deficit of approximately \$165,000 \$180,000.

Mr. Dobberstein stated he has recommendations for some increases in fees. He stated the Authority has already approved the parking lot rate increase. He stated he is also proposing the following:

1. Increase the fuel flowage fee from two cents to three cents per gallon
2. Increase landing fees as follows:
 - Training flights no change
 - Scheduled passenger carriers from 31 cents to 50 cents per 1,000 lbs.
 - Non scheduled carriers from 50 cents to 85 cents per 1,000 lbs.
 - Scheduled cargo carriers from 50 cents to 75 cents per 1,000 lbs with a \$5.00 minimum

Mr. Dobberstein stated a lot of the increased revenue will depend on our ability to increase passenger traffic.

Chairman Myers stated he feels Mr. Dobberstein's recommendations make sense and are not cost prohibitive to anyone.

Gen. Macdonald stated that revenue from the fuel flowage fee has been steadily increasing because of increased activity. He stated at the same time the landing fees paid by airlines have not been increasing the cost per passenger. He stated it is his opinion that the airlines agreed to pay a certain amount of money and if we were to implement the landing fee agreed upon in their lease the landing fee would be over \$2.00 per 1,000 lbs. He stated he is not recommending that increase but he would recommend leaving the fuel flowage fee at two cents and increasing the landing fee to scheduled carriers to 55 cents per 1,000 lbs. Gen. Macdonald stated the airlines' cost per passenger is very low and they are still getting a good deal in Fargo. He

Approved the 1998 Operations and Maintenance Budget: (Continued)

stated we are just starting to get back some of the light corporate aircraft back in Fargo after not having them here for many years and he would like to see that trend continue. He stated if the airlines can get more passengers here we can look at lowering the landing fees. He stated the monopoly at this airport is the reason for the decrease in passengers and the budget deficit.

Gen. Macdonald moved to approve the recommendations made by the Executive Director with the exception of the fuel flowage fee remaining at two cents per gallon and the landing fees for scheduled air carriers to 55 cents per 1,000 lbs.

Second by Mr. Pawluk.

Ms. Jordan asked how our fuel flowage fee compares to other airports in the region.

Mr. Pawluk stated at two cents we have the lowest fuel flowage fee, along with Rapid City. He stated he also feels it is important to point out that as of July 1, 1997 our landing fees are the lowest of the airports surveyed.

Mr. Dobberstein stated he has originally considered recommending an increase in fuel flowage fee from two cents to five cents but settled on three cents. He stated his reason for the proposed increase is the tremendous increase in costs we have realized since the opening of the new general aviation area. Mr. Dobberstein stated he felt that increase would demonstrate to the airlines that other interests on the airport are also participating in the operational costs of the airport.

Ms. Jordan asked if the Authority should consider raising the scheduled air carrier landing fee to 55 cents as well as increasing the fuel flowage fee to three cents.

Gen. Macdonald stated he feels we have to offer to the light aircraft owner/pilot reasons for coming to Fargo. He stated some of the reasons they don't like to use a larger airport is that we have a tower, we have jet aircraft, and the FAA is located on this airport. He stated on the other hand if they can get gas a little cheaper here they may come here.

Mr. Pawluk stated we should also look at the cumulative effect that having two FBO's on the field has had.

Chairman Myers asked for a vote on the motion.

Walstad, Macdonald and Pawluk voted yes.

Jordan and Myers voted no.

The motion was declared carried.

Gen Macdonald moved to approve the 1998 Operations and Maintenance Budget as presented by the Executive Director.

Second by Ms. Jordan.

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

Received Update on Riviera Heights Mobile Home Park Shelterbelt Project:

Mr. Dobberstein stated the Authority recently received a request from Fargo Fire Chief LeDoux to consider allowing a shelterbelt on airport property for the Riviera Heights Mobile Home Park. Mr. Dobberstein stated he was directed to continue working with the Fire Department and the Riviera Heights people on this matter. He stated they have now come back to us with further information on the type of shelterbelt and the amount of acreage. He introduced Mr. Butch Love, representative of the mobile home park.

Mr. Love was recognized and stated they have had several meetings with the Cass County Soil Conservation District and the Lake Agassiz Conservation Development and they have come back with two proposals for a shelterbelt. Plan A would be a two row shelterbelt approximately 200 feet north of the existing shelterbelt. Plan B would be a three row shelterbelt 200' north of the existing shelterbelt. He stated the two row belt would require 1.2 acres and Plan B would require 2 acres.

Gen. Macdonald asked if adequate room would be allowed for access by machinery for maintenance.

Mr. Love stated there would be room at both ends of the shelterbelt two allow for machinery.

Received Update on Riviera Heights Mobile Home Park Shelterbelt Project:
(Continued)

Chairman Myers stated he would want our agreement to be clear that the Airport Authority would not want any responsibility for maintenance of the shelterbelt or for any chemical damage to the trees caused by the airport's tenant farmers.

Mr. Dobberstein stated the agreement with Riviera will include that the Authority will allow the use of the land for a shelterbelt at no cost but 100% of the maintenance of the shelterbelt will be at the expense of Riviera. He stated the agreement will also include that the Authority can direct maintenance be done and the expense be assessed to Riviera. He stated Attorney Stewart has also recommended that the agreement include that the mobile home park residents recognize the existence of the airport and the proximity to the park.

Gen. Macdonald moved to approve the proposed shelterbelt project, subject to final approval of lease agreement by the Executive Director and Attorney Stewart.

Second by Ms. Jordan.

Mr. Love stated the trees would be purchased by September 1, 1997 for planting in the spring of 1998. He added that they are attempting to secure a grant for the cost of the shelterbelt.

Chairman Myers called for a vote on the motion.

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

Received Update on Air Cargo Project:

Mr. Dobberstein stated he received communications from the facility project manager with Airborne Express as well as their selected developer, Mr. Jerry Dean of Midwest Development & Construction (MDC Inc.), Lenexa KS. He stated Mr. Dean has been authorized to negotiate the ground lease issues on Airborne's behalf. Mr. Dobberstein stated he met with Mr. Dean, along with Mr. Wes Schon and Attorney Stewart, to discuss the ground lease and location of the proposed facility.

Mr. Dobberstein stated Mr. Dean would be appearing before the board at the next meeting to give a formal proposal on the facility so they can begin their work and have the facility operational by the first quarter of 1998.

Mr. Dobberstein stated as far as the layout of the facility Mr. Dean has been working with Mr. Wes Schon, Ulteig Engineers. Mr. Dobberstein stated it is the intent to allow the maximum use of the air cargo apron.

Mr. Schon stated the facility will be planned with a second tenant in mind. He stated when Airborne has finalized their plans they will be submitted to the FAA for their approval. Mr. Schon reviewed some details of the proposed plan.

Mr. Dobberstein stated the ground lease rate will be 16 cents per square foot for the first five years, with increases of three cents each five years.

Mr. Walstad moved to receive and file the documents and approve the concept of the Airborne Express facility as presented as that Mr. Dobberstein be authorized to move ahead with the necessary paperwork.

Second by Ms. Jordan.

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

Gen. Macdonald stated he would like to compliment Mr. Dobberstein on the excellent job he had done with air cargo development.

Discussed July 28 29 Air Service Meetings:

Mr. Dobberstein stated the Airport Authority participated in a study on air service between Denver and the Dakotas, along with the North Dakota Aeronautics Commission, the air carrier airports in North Dakota, the Aberdeen airport, and the Denver International Airport. He stated these parties met in Denver on July 28 29 and this study was presented to United Airlines and Western Pacific/Frontier Airlines.

Discussed July 28 29 Air Service Meetings: (Continued)

Mr. Dobberstein stated SH&E was the firm retained by the Denver Airport to conduct the study. He stated United Airlines has requested they have 60 90 days to review the study before getting back to the Aeronautics Commission. He stated the study looked promising for the Fargo market in terms of supporting jet service between Fargo and Denver. He stated Western Pacific requested seven to ten days to review the study and get back to the Aeronautics Commission but as of yesterday he had not heard any word. He added that the ND Aeronautics Commission, along with Senators Dorgan and Daschle will continue to work with the Denver Airport to continue meetings with Western Pacific and United to see what can be done about returning service to North Dakota.

Chairman Myers asked Mr. Dobberstein if the Chamber of Commerce has been involved in these discussions.

Mr. Dobberstein stated he has been working with Mr. David Martin, Fargo Chamber, and Mr. Martin is present today.

Chairman Myers stated he has received several comments from people in the last week asking about another airline. He stated he asks these people if they are going to support a new airline because the key will be the public support. He stated we cannot just go after another airline for the purpose of lowering fares. He stated the Authority's objective is to better serve the public and along with that we may see some reduction in fares. He stated the public has to be educated to the fact that if another airline comes to Fargo they will have to support it by flying on that airline and not just get the service here to reduce fares and then not use the new service.

Mr. David Martin was recognized and stated the Public Works and Transportation Committee has a meeting scheduled for October 28 at 7:30 a.m. and present at that meeting will be representatives of some of the major industries and companies in the area.

Mr. Dobberstein stated one of our goals is to get back our service to Denver. He stated there are not many airports in this country that can say they have service to three hubs. He added that Mr. Mark Kiehl, Kiehl Hendrickson Group, was present at the meeting in Denver but based on what he heard in Denver they chose to wait until the results of the Denver meetings are known before we would proceed with the study we discussed with them.

Chairman Myers asked if it would ever be a possibility that United Express would have one operator (Great Lakes) fly the Fargo Chicago route and another operator fly Fargo Denver, both under the United Express operation.

Mr. Steve Dahl, United Express/Great Lakes manager in Fargo, was recognized and stated that type of scenario is possible but it is his understanding the costs of flying into the Denver International Airport that secondary carriers cannot afford to fly into Denver.

Ms. Jordan stated she feels it is important to make it clear that the real intent is to maximize the use of this facility and not to hurt anyone's business. She stated she does not want anyone to get the impression that we are trying to nail someone.

Gen. Macdonald stated we have to stop people from driving to Minneapolis and Sioux Falls rather than flying out of Fargo.

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, was recognized and stated all of the north general aviation ramp has been completed and is open on a limited basis. He stated there are minor items such as painting, seeding, sodding, etc. yet to be completed on that project. He stated the project is 80% 90% complete.

Mr. Schon stated the road into the air cargo area has been completed and they are going to start the heavy pavement on the ramp so we should see some large payment requests at the next meeting.

Other Business:

Mr. Pawluk asked about the Runway 8/26 runway end identifier lights (REILS) and why they have been out of service for such a long time.

Mr. Dobberstein stated we have been unable to get replacement parts from the supplier, ADB Alnaco.

Mr. Schon stated this has been a problem with this particular manufacturer for some time but they continue to be on the FAA's list of approved manufacturers so the airport really has no say in the equipment installed as long as it meets FAA requirements.

Chairman Myers asked if this problem has been relayed to the FAA.

Mr. Dobberstein stated the FAA is aware of the situation.

Chairman Myers stated he feels this situation is inexcusable and feels a letter should be written to the FAA advising them of ADB Alnaco's inability to provide materials on a timely basis.

Mr. Dobberstein stated that the contractor (Herzog Roofing) is ready to start on the Hangar #2 roof project next Monday rather than in September. He stated he received copies of the agreement between the contractor and the owner and both he and Attorney Stewart have reviewed the agreement.

Gen. Macdonald moved the Executive Director be authorized to sign the agreement between the Municipal Airport Authority and Herzog Roofing.

Second by Mr. Walstad.

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

No member being absent and none voting nay.

Chairman Myers asked Mr. Dobberstein to check with the insurance carrier to make sure our coverage would include any change in building codes.

Mrs. Yvonne Hamilton was recognized and stated on behalf of Valley Aviation she would like to thank the Airport Authority for the new ramp and that Valley Aviation appreciated their support.

Ms. Jordan moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, August 26, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 10:39 a.m.

Regular Meeting

Tuesday

August 26, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 26, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Pawluk and Myers

Absent: None

Others: Stewart, Macleod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 12, 1997:

Gen. Macdonald moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 12, 1997.

Second by Ms. Jordan.

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

Approved the Airport Vouchers Totalling \$37,147.23:

Mr. Pawluk moved to approve the airport vouchers totalling \$37,147.23.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan and Pawluk voted aye.

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

Received Second Quarter PFC Report:

Mr. Dobberstein distributed a report showing second quarter PFC receipts totalling \$136,455.60. Cumulative total for the first half of the year is \$215,758.40.

Ms. Jordan moved to receive and file the second quarter PFC report.

Second by Mr. Walstad.

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

Received Report from Sedgwick Aviation Regarding Airport Inspection:

Mr. Dobberstein provided the members with a copy of the inspection report generated by Mr. William Gossell subsequent to his tour of the airport facility. Mr. Gossell is a representative of the American Eagle Group, Inc., our liability insurance carrier.

Chairman Myers stated his only comment on the report was the item regarding jet bridges and that the preferred method from the airport liability insurance view point is not to own, maintain, or operate jet bridges, however, this may not be practical in today's environment. He stated that ownership is not precluded but the insurance carrier feels the next best situation would be for the airport to own the jet bridges but to contract out the maintenance of the bridges and have the airlines operate the bridges.

Received Report from Sedgwick Aviation Regarding Airport Inspection: (Continued)

Mr. Walstad moved to receive and file the report from Sedgwick Aviation.
Second by Gen. Macdonald.
All members present voted aye and the motion was declared carried.

Authorized Sale of Surplus Airport Equipment:

Mr. Dobberstein stated he and the field maintenance staff reviewed the equipment inventory and developed a list of surplus equipment that could be placed on the City's auction. Mr. Dobberstein stated this list has also been reviewed with Mr. Myers and Mr. Pawluk. He stated there are some other miscellaneous items such as wood snow fence, chairs, tables, etc., that could be included.

Mr. Pawluk moved the Executive Director be authorized to proceed with the sale of listed equipment as well as other miscellaneous items he deems necessary.
Second by Ms. Jordan.
All member present voted aye and the motion was declared carried.

Received Request from Great Lakes Aviation to Vacate Eastside Terminal Space:

Mr. Dobberstein stated he received a letter from Great Lakes Aviation requesting they be allowed to vacate the space in the Eastside Terminal. He stated Great Lakes acquired this space when they had a maintenance base in Fargo but the space is no longer needed.

Mr. Walstad moved to approve the request from Great Lakes to vacate space in the Eastside Terminal effective August 31, 1997.
Second by Ms. Jordan.
On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye.
No member being absent and none voting nay the motion was declared carried.

Received Request from AvSupport On Line to lease Eastside Terminal Space:

Mr. Dobberstein stated he received a request from Mr. K.C. Hemelstrand, AvSupport On Line, requesting to lease the space in the Eastside Terminal previously occupied by Great Lakes Aviation.

Gen. Macdonald moved to approve the request from AvSupport On Line to lease space in the Eastside Terminal.
Second by Mr. Walstad.
On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye.
No member being absent and none voting nay the motion was declared carried.

Received Cargo Facility Proposal from Midwest Development & Construction, Inc.:

Mr. Dobberstein introduced Mr. Jerry Dean and Mr. K.C. Brown, Midwest Development & Construction. He stated Midwest Development has been chosen by Airborne Express to develop their facility in Fargo. Mr. Dobberstein stated the members have been provided with a copy of the proposed site development plan.

Mr. Dean stated they are proposing a pre engineered single story structure with both van and semi truck/trailer access as well as airside access, pretty much identical to other facilities they have built around the country. He stated they have started the process on the ground lease.

Chairman Myers asked Mr. Dean if he anticipates any problems or difficulties of which the Airport Authority should be aware and possibly provide assistance.

Received Cargo Facility Proposal from Midwest Development & Construction, Inc.:

Mr. Dean stated he is in the process of completing the FAA approval form and will be submitting that immediately following the Airport Authority's approval of the project.

Mr. Dobberstein stated he spoke with the FAA Airports District Office in Bismarck this morning and their preliminary opinion is that they do not see any problems or objections to this project. He added that he did request some preferential handling to expedite this due to the late date in the construction season.

Chairman Myers stated if there is anything the Airport Authority can do to expedite this process we should be aware of it as soon as possible.

Mr. Dobberstein stated there is a proposed common area east of the Airborne facility and any future facility to the east and a road in this common area for access to the truck loading bays. He stated in lease discussions it has been suggested that this common area be split down the middle in the leases and those costs be shared.

After discussion on the location of the proposed facility, Mr. Dean stated it is their intention to maximize the use of the ramp space. He stated once the Authority agrees on the site the appropriate forms can be submitted to the FAA.

Mr. Dean was asked if it was too late to revise the site plan relocating to the east side of the ramp.

Mr. Dean indicated if the site plan was changed they would not be able to start construction yet this year.

Ms. Jordan asked if our engineers have any concerns with the location of the facility.

Mr. Dobberstein indicated that Ulteig Engineers has been working with Mr. Dean on this proposed plan. He also indicated that development on the east half of the cargo ramp is possible because the building restriction line extends beyond the east edge of the ramp. Ms. Jordan stated she can understand some of the concerns expressed about maximizing the use of the ramp but to suggest that we approve this project now, subject to change of location should the project not begin until spring would be a concern to her. She stated if she was on Airborne's board she would not sign off on a project with that type of condition attached. She stated this is an important development project and we need to move forward with some sense of reassurance for Midwest Development.

Chairman Myers stated the best thing that could happen would be to have tenants pushing us for space in the air cargo area.

Mr. Pawluk stated possibly the time for his questions may have been sooner than this but if this plan meets with our engineer's approval he is not opposed to the plan as proposed.

Chairman Myers stated it was his understanding that there was some concern about fill for the development. He stated there is a bank of clay stockpiled in the area and we are not sure at this time whether or not that is available for use on this project. He stated it is his feeling that if that material is available we would be within the bounds to allow the developer to use that material.

Mr. Walstad moved the Airport Authority approve the Airborne development plan as proposed by Midwest Development & Construction and that the Authority do what it can to expedite the approval of this project by the FAA, and that the Executive Director be allowed to make the determination on use of fill for this development area.

Second by Ms. Jordan.

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

Chairman Myers stated he visited with Attorney Stewart on the fact that he does have a financial interest in the local contractor Midwest Development has been working with, Olaf Anderson & Sons. He stated Attorney Stewart indicated to him that he did not have a conflict of interest.

Attorney Stewart indicated that was correct.

Chairman Myers stated if any board member felt there was a conflict he would withdraw his vote.

No objection was voiced.

Received Update on Ground Lease for Aviation Resources, Ltd. Hangar:

Mr. Dobberstein stated we have been provided with a copy of the Certificate of Survey and a revised layout of the north general aviation area showing the meets and bounds for the proposed Aviation Resources facility. He stated these two documents will be exhibits to the ground lease with Aviation Resources. Mr. Dobberstein stated construction is scheduled to begin the first week of September.

Mr. Dobberstein stated Exhibit C in the lease will show the grass area north and east of the proposed hangar on which Aviation Resources will have a right of first refusal with a term of one year.

Gen. Macdonald moved to approve the ground lease between the Airport Authority and Aviation Resources, Ltd. and that Chairman and Executive Director be authorized to sign the lease.

Second by Mr. Wasltad.

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

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

Received Communication from Northwest Airlines Regarding Luggage Service Space:

Mr. Dobberstein stated he received a communication date August 20, 1997 from Mr. Scott Roe, Manager, Northwest Airlines, requesting the use of the former Thrifty Car Rental office space to store customer bags and claim files. It is Mr. Roe's intention to include the leasing of this space in his budget for next year. Mr. Dobberstein stated Northwest would like to use this on a trial basis and it would be available to United Express as well. Mr. Dobberstein stated he authorized them to begin using the space and it seems to be working well so far.

Mr. Dobberstein stated the airlines feel this will eliminate some of the people going to the ticket counter for lost baggage and it will cut down on congestion.

Gen. Macdonald indicated he feels that if by January 1, 1998 the airlines are not paying rent on the space they should be asked to vacate it.

Mr. Pawluk moved to receive and file the communication from Northwest Airlines and that the Executive Director be authorized to proceed on a trial basis the use of this space for storage of customer bags by both Northwest and United Express, should the need arise.

Second by Ms. Jordan.

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

Authorized Advertisement of Request for Proposals Regarding Airport Farmland:

Mr. Dobberstein stated in September of 1996 the Authority extended the farm leases for one year but that we call for bids for the 1998 crop year. Mr. Dobberstein stated he has met with the Farm Service Agency and received aerial photos and maps of our crop land and they are taking measurements of some of that space and we should have that information next week.

The question was raised on whether or not the rate per acre should include taxes and the Authority pay the taxes or whether the tenant should be responsible to pay the taxes over and above the lease rate per acre. This issue was raised because one of our tenants, NDSU, is exempt from paying property taxes.

Gen. Macdonald stated he feels the Airport Authority should lease the land for an agreed amount, as any other land owner would and then the Airport Authority pay the property taxes. He stated the advantage to the Authority would be that we could be sure the taxes were being paid and insure that a tenant would not get behind in property taxes.

Mr. Dobberstein added that the other land agreements we have with the Fargodome and the soccer group would be adjusted to reflect that rate.

Gen. Macdonald now absent.

Authorized Advertisement of Request for Proposals Regarding Airport Farmland:

Mr. Pawluk moved the Executive Director be authorized to request proposals for the leasing of airport farmland.

Second by Mr. Walstad.

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

Adopt Resolution for a Speedy Recovery for Airport Employee, Gale Swan:

Mr. Dobberstein stated Mr. Gale Swan, Airfield Maintenance Foreman, had bypass surgery this week. The surgery went well and his recovery is expected to last six weeks. Mr. Dobberstein added that Mr. Swan has verbally indicated his plans to retire next June.

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

WHEREAS, The Municipal Airport Authority has learned of the recent surgery and hospitalization of employee, Gale Swan, and

WHEREAS, Mr. Swan's family, friends and co workers eagerly await his complete recovery and return to his everyday activities.

NOW THEREFORE BE IT RESOLVED, that the Municipal Airport Authority does hereby offer its best wishes for a speedy recovery to Mr. Gale Swan.

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. Gale Swan.

Second by Ms. Jordan.

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

Received Update on Airport Construction Projects:

Mr. Dobberstein stated all of the concrete on the air cargo ramp is now in place. They are working on the forms for the connection from the ramp to Taxiway A. He stated we had a small project crack sealing the asphalt on Runway 13/31 and that has been completed.

Other Business:

Chairman Myers stated he received a communication from the North Dakota Aviation Hall of Fame soliciting nominations. He stated he would like the Authority to nominate Mr. Joseph Parmer and that the Authority in conjunction with the NDANG nominate Gen. Alexander Macdonald.

Chairman Myers stated Mrs. Millie Macleod has announced her retirement from public service and will not be running for another term on the Moorhead City Council. He stated the Airport Authority has appreciated her participation and input on the board over the years.

Mrs. Macleod expressed her thanks and indicated she has enjoyed her relationship with the Airport Authority these many years. She added that someone else will be representing Moorhead at the Airport Authority's meetings.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 9, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Ms. Jordan.

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

Time at adjournment was 10:17 a.m.

Regular Meeting

Tuesday

September 9, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 9, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Pawluk, Myers

Absent: None

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Municipal Airport Authority Held August 26, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 26, 1997.

Second by Mr. Walstad.

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

Approved the Airport Vouchers Totalling \$30,154.17:

Mr. Walstad moved to approve the airport vouchers totalling \$30,154.17.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,670.00 to Midwest Testing for quality testing services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,585.00 to Midwest Testing for quality testing services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan, Pawluk and Myers voted aye. No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$29,740.23 to Northern Improvement Company for Payment Request No. 4 for construction of the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$921,934.00 to Northern Improvement Company for Payment Request No. 4 for construction of the Air Cargo Apron and Access Road Project, AIP #3 38 0017 20.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,630.82 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$17,153.01 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the Air Cargo Apron and Access Road Project No. 3 38 0017 20.

Second by Mr. Walstad.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$535.50 for engineering service to conduct property survey, north general aviation hangar area.

Second by Mr. Walstad.

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

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

Authorized Painting of Building #7 (Former Maintenance Shop):

Mr. Dobberstein stated we have solicited informal bids for the painting of our old maintenance shop (Building #7) which is currently under lease to Fargo Aero Tech. He stated our only bid so far is \$2,400 from Tony Eckert & Sons.

Gen. Macdonald moved the Director be authorized to proceed with the painting of Building #7 at a cost not to exceed \$2,400.00.

Second by Mr. Pawluk.

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

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

Considered Offer from Northwest Airlines to Purchase Passenger Loading Bridge:

Mr. Dobberstein stated he has not received an offer in writing at this time from Northwest Airlines regarding the purchase of our passenger loading bridge (Jetway #2), as they are awaiting confirmation from FMC Jetway, the manufacturer of the bridge, on whether or not the bridge contains any asbestos. He stated they previously had two maintenance representatives here, as well as the individual who would be responsible for making the offer. He stated they plan to use it for parts.

Mr. Dobberstein stated it would be in the best interest of the Airport Authority to have Attorney Stewart draft a bill of sale or hold harmless agreement outlining the terms of the sale being "as is."

Mr. Pawluk moved the Executive Director be authorized to dispose of the passenger loading bridge and that Attorney Stewart draft a bill of sale.

Second by Mr. Walstad.

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

Reviewed PFC Project Application:

Mr. Dobberstein stated the members have previously been provided with a worksheet (PFC Project Development and Costs) prepared by Ulteig Engineers. He stated we do not yet have firm confirmation on our 1998 AIP funding level, which would be beneficial to have before we proceed with this PFC application, but we cannot wait any longer. Mr. Dobberstein asked Mr. Wes Schon, Ulteig Engineers, to review the worksheet.

Mr. Schon stated the first project on the application will be the expansion of the North General Aviation Apron, which was totally funded by the Airport Authority, with the exception of the \$50,000 state funds received.

Mr. Schon stated the second item on the application is the Air Cargo Apron, Connecting Taxiway, Access Road, Lighting and Signage. Total cost of the project is \$2,073,030, less FAA funding of \$1,865,727 and State funding of \$50,000, leaving \$157,303 to be funded through PFC funds.

Mr. Schon stated proposed projects include the relocation of the airport beacon and also the drainage improvements at A4 and the southeast general aviation apron. He stated if there are funds remaining in the AIP 20 grant those funds will be used, with the airport's ten percent (\$10,000) to be recovered through PFC funds.

Item #4 is the purchase of snow removal equipment (rotary plow and fixed blade truck with sander). Total cost of these two items is \$550,000 and are eligible for AIP funding, with the remaining \$55,000 to be recovered through PFC funds. He stated there is also a second fixed blade truck at a cost of \$250,000, to be funded totally by PFC funds.

When asked if there was any chance of getting discretionary funding on an emergency basis due to last winter's snowfall, Mr. Dobberstein indicated snow removal equipment has a very low rating on the FAA's priority list. He added that the 1997 discretionary funds requested in 1996 have not yet been distributed to those airports submitting applications.

Reviewed PFC Project Application: (Continued)

Mr. Schon stated another item on the PFC application will be for the entrance road lighting rehabilitation. Mr. Schon stated these fixtures have presented problems since their installation as well as being a maintenance problem for NSP.

Mr. Dobberstein stated we are comfortable that the poles themselves are fine but the fixtures needs to be replaced.

Mr. Schon stated the poles and fixtures certainly have an aesthetical appeal but what is good about their looks is bad for aerodynamics.

Chairman Myers suggested we ask the engineer on the project (Bruce Laugtug) to come to our next meeting and explain why those fixtures were chosen. He stated he would be interested in that information.

Mr. Schon stated these fixtures for a parking lot in the middle of town would be fine and might not present any problem, but they are a problem with the elements they are exposed to in the open at the airport.

Chairman Myers requested that Mr. Dobberstein contact both NSP and Laugtug Engineering and requested they attend a future meeting to address this matter.

Mr. Schon stated the Authority has two options, Option #1 replace the fixtures only, Option #2, replace the pole and the fixtures and recover salvage value on the old material.

Mr. Schon stated the final item on the application is a Passenger Loading Bridge estimated at \$300,000, to be funded totally by the PFC funds.

Chairman Myers requested that Mr. Dobberstein identify the reimbursement from the insurance company for the damaged jetway, as well as the funds from the sale of the salvage to Northwest Airlines.

Mr. Schon stated a PFC application can be amended but it is a lengthy process. He added that all airlines that would be involved in collecting PFC funds must be notified of any changes and must be allowed to provide comments.

Gen. Macdonald moved the Executive Director and Mr. Schon be authorized to proceed with the PFC application as outlined through the year 2003.

Second by Ms. Jordan.

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

Authorized Environmental Study for Extension of Runway 8/26:

Mr. Dobberstein stated our next step in moving ahead with the planning for the extension is to complete the environmental study. He stated we cannot move ahead with the planned improvements to County Drain 10 and site preparation until this study is completed.

Mr. Dobberstein explained the PFC application under which we are currently collecting funds includes a project to construct and install a box culvert in Cass County Drain 10 and cover with material for the Runway 8/26 safety area improvements. He stated we can continue to collect the funds but cannot spend them on this project until the environmental study has been completed.

Mr. Schon stated the Authority should allow at least one year for the study to be completed and approved by the FAA. He stated the actual study itself will take approximately six to eight weeks and cost between \$5,000 \$15,000. He added that the study would then be good for at least three years from date of approval. Mr. Schon added that he does not anticipate big environmental problems with this site.

Mr. Schon also stated the FAA Airports District Office has been asking him when the Authority is going to move ahead with the environmental study. He added that beginning about June of 1998 the PFC funds collected will be marked for this project and we will be charged with either moving ahead with the project or amending the PFC application. Chairman Myers stated he feels that moving ahead with the extension of Runway 8/26 is vital to support the north general aviation area in attracting corporate jets.

Authorized Environmental Study for Extension of Runway 8/26: (Continued)

Gen. Macdonald indicated his concern about moving forward with this environmental study when the runway extension may not be constructed for years.

Chairman Myers stated regardless of when the runway extension is completed he feels it is vital to move ahead with construction of the box culvert in Drain 10 because a ditch at the end of any runway is a safety hazard.

Mr. Dobberstein recommended the Airport Authority move ahead with the proposed environmental study.

Ms. Jordan moved to authorize the environmental study be conducted in preparation to construct and install a box culvert in Cass County Drain 10 and cover with earth for the Runway 8/26 safety area improvements.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan and Myers voted aye.

Mr. Pawluk voted no.

The motion was declared carried.

Received Update on Airport Improvement Projects:

Mr. Wes Schon stated the Air Cargo Apron is entirely paved. He stated the road is almost finished and the connections to the taxiway are complete. He stated he feels by the end of September or the first part of October we should be finished with the projects. He stated the seeding and sodding will be postponed until spring as they are not yet ready to seed and we will then avoid winter damage.

Chairman Myers suggested planting some type of ground cover for now.

Other Business:

Chairman Myers asked the status of the HVAC system in the tug concourse.

Mr. Dobberstein stated Mr. Obermiller is taking carbon monoxide readings in the area and is in the design process.

Ms. Jordan stated Mr. Dobberstein has completed a new Position Description Questionnaire, as directed by the Airport Authority. She stated copies have been given to the members for review and will be submitted to Human Resources for review by Fox Lawson. She stated she will also be providing each of the members with an evaluation form to be completed and returned to her and she will compile the information.

Chairman Myers stated he received a call from Mayor Furness recently indicating that Mr. Dobberstein's salary increase in his new position as director was to be a minimum of three percent, not a maximum or limited to three percent, and that he would support the Authority's request regarding his salary. Chairman Myers stated with everything going on at City Hall with reclassifications we want to make sure we have everything in order before making a request.

Chairman Myers stated he does not want the Authority to forget about the southeast general aviation area. He stated we need some direction with a plan and we need to implement that plan. He asked Mr. Dobberstein to do some thoughtful planning for that area and in the next few meetings have something for the board.

Other Business: (Continued)

Gen. Macdonald requested that for the next meeting the board be given a report or update on Northwest Airlines' new fare structure.

Mr. Pawluk suggested Mr. Dobberstein check with the Chamber of Commerce about having a "Business After Hours" in the terminal building.

Mr. Dobberstein stated he would discuss this with the Chamber and get back to the board.

Mr. Pawluk complimented the airport grounds crew and management on the appearance of the airport grounds and facilities. He stated everything looks great.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, September 23, 1997, at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 10:27 a.m.

Due to lack of a quorum for September 23, the meeting was rescheduled for Tuesday, September 30, 1997 at 9:00 a.m.

Regular Meeting

Tuesday

September 30, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 30, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Jordan, Pawluk, Myers

Absent: Walstad

Others: Stewart, Martin

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 9, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 9, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$37,154.17:

Ms. Jordan moved to approve the airport vouchers totalling \$37,154.17.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad

The motion was declared carried.

Gen. Macdonald asked Mr. Dobberstein to look into reducing our monthly expenditure on the plant leasing and horticultural service and report back at the next meeting. He stated that with some budgetary shortfalls he felt this was an area in which we could cut back.

Mr. Pawluk indicated he agreed but also added it is important to note that this has no reflection on the company providing the service but strictly for budgetary purposes.

Chairman Myers stated he also agreed and when the plants were originally installed we did not have the amount of color from advertising in the terminal which we do now.

Received Proposals to Lease Airport Farm Land:

Mr. Dobberstein opened proposals to lease airport farm land as follows:

Acres	136.6	118	64	226	133	151.5*	125.4	77.3	1031.8
BIDDER	#1	#2	#3	#4	#5	#6	#7	#8	ALL
Trevor Sorby									
Chad Oberg	65	70	70	60			60		
Bill Borgen	65.50	65	67	63	65	68	68	55	
Terry Compson				54.50					
Cleveland Farms								35	
David Heck	57	56					57	58	
NDSU	8,000 58.57						6,000 47.85		
William Heller					62.50				
Chad Wendel								46.60	
Larry Richard	53.50	53.50	53.50	58	58	53.50	53.50	58	

*does not include 40 test plot acres leased to NDSU

Gen. Macdonald stated he feels the Authority should allow oral bids to increase the bids and conduct that this afternoon.

Mr. Dobberstein stated not all of the bidders are present today and he is sure they will need more notice than that.

After further discussion it was decided that oral bids would be set for 9:00 a.m. on Friday, October 3, 1997.

Gen. Macdonald moved to receive and file the written bids and schedule oral bidding for Friday, October 3, 1997 at 9:00 a.m.

Second by Ms. Jordan.

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

Mr. Pawluk voted no.

The motion was declared carried.

Received Communication from Northwest Airlines Regarding Their "Everyday Deals" Fare Structure:

Mr. Dobberstein stated at the request of members on the board he asked Mr. David Hanna, Account Executive for Northwest Airlines, to explain Northwest's new "Everyday Deals" fare structure. Mr. Hanna responded in a letter dated September 18, 1997. Mr. Dobberstein stated it is his understanding that the intent of this program is to get away from the back to back fare sales.

Gen. Macdonald stated these rates are not super low so after a period of time we will see the fare wars return.

Ms. Jordan stated she feels this program has simply taken the 30 day advance fare and reduced the number of days required to purchase a ticket in advance.

Received Communication from Northwest Airlines Regarding Their "Everyday Deals" Fare Structure: (Continued)

Mr. Pawluk moved to receive and file the communication from Northwest Airlines.

Second by Gen. Macdonald.

Chairman Myers asked Mr. Dobberstein to give the board some details on the number of seats we will be losing in Northwest's proposed schedule change. Mr. Dobberstein stated the information he has received from Northwest Airlines scheduling department and the local station manager differ but preliminary figures show they plan to decrease the number of seats into Fargo by 100 per day. He stated their reason is to increase their load factor. He stated their figures show some of their flights with a 30% load factor.

Ms. Jordan stated she flies every week and she never sees a 30% load factor on any of those flights.

Chairman Myers stated our conversations with Northwest Airlines are on going and he feels we are getting some attention. He stated he feels the Airport Authority should resist losing seats and insist on better marketing and better pricing.

Chairman Myers called for a vote on the motion to receive and file the communication.

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

Received Communication from LHA Engineers Regarding Access Road Lighting System:

Mr. Dobberstein stated at the last meeting he was directed to contact Mr. Bruce Laugtug, LHA Engineers, regarding the design of the access road lighting and the choice of fixtures. In a letter dated September 18, 1997, Mr. Laugtug indicated the poles and shoeboxes were selected to be of natural aluminum construction mostly for aesthetic reasons by the project designers. The shoebox style was also selected to reduce glare for the personnel in the tower. Based on the maintenance costs the airport is experiencing he agrees that a more industrial style design, such as a cobra head, be investigated.

Mr. Dobberstein stated Mr. Laugtug suggested installing a few more cobra heads on the existing poles and see how they survive the winter.

Chairman Myers suggested we consult with the NDSU Engineering Department and see if they are willing to take this on as a project and see what they would recommend. He stated this is not a matter that needs immediate attention and we may be surprised at what they recommend.

Mr. Pawluk moved to receive and file the communication from LGA Engineers and that Darren Anderson be directed to contact the Engineering Department at NDSU to come up with an alternative.

Second by Gen. Macdonald.

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

Discussed Hangar #2 Roofing Project:

Mr. Dobberstein stated he and Mr. Myers met with the architect on this project, Michael Burns, along with the contractor, Mike Herzog, a representative of Firestone Roofing, and also our insurance adjuster, Mr. Roger Buscher.

Mr. Dobberstein states there seems to be a discrepancy between the roofer and the architect in terms of what they actually found when they pulled the membrane off the roof. The architect's plans show a 3/4" deck and the contractor was under the impression there was a three inch deck in place.

Gen. Macdonald suggested we terminate the project and readvertise.

Chairman Myers stated some of the items covered during their meeting included the type of screw they were using. He suggested they use a screw with a wider thread in order to get more fiber in the thread to avoid them pulling out and Firestone was going to test that. He also stated a UL 90 rated roof is the norm but a UL 90 roof does not carry a 100 mph wind factor. He asked Firestone to correspond with us regarding their factor of safety and advise what wind speed a UL 90 rated roof will sustain.

Discussed Hangar #2 Roofing Project: (Continued)

Chairman Myers stated the contractor some valid points of argument. He stated you cannot actually cut the roof open to determine what is in there. He stated there are some issues the Director and the architect need to resolve and come back to the board with a solution. He stated he feels it would be best to make the necessary repairs now to last the winter but then hold the contractor to a performance criteria including a penalty clause for any start after a given date in the spring. He added that he would not be in favor of starting the project at this late date.

Chairman Myers stated he also suggested to Firestone that they come back to us and tell us if they would use battens rather than the glued roof system. He stated he felt it was a good meeting and that Firestone was willing to work with us. He added that he was disappointed that Mr. Burns did not perform the way he thought he would. He stated the board should direct Mr. Dobberstein to go back to Mr. Burns and if he is not satisfied with the outcome the matter should be turned over to Attorney Stewart.

Mr. Pawluk moved the Executive Director be directed to bring to the board proposals from the architect, roofer and manufacturer so we have the information needed to make a decision.

Second by Gen. Macdonald.

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

Chairman Myers stated he wants to make sure Mr. Burns knows the Authority is not only frustrated but will be very aggressive on this matter.

Discussed Cargo Facility Ground Lease for Midwest Development & Construction, Inc. and Approve Water and Sewer Assessment:

Mr. Dobberstein stated he prepared a communication for the members dated September 26, 1997, with his calculations and recommendations for the water and sewer assessments for Midwest Development Construction, Inc. for utilities in the air cargo area.

Sanitary Sewer.....	\$ 6,909.20
Watermain.....	\$11,645.73
TOTAL ASSESSMENT.....	\$18,554.93

Mr. Dobberstein stated these assessments represent the trunkline benefit and the frontage benefit, which is the method the City uses to calculate specials. He stated he has reviewed this with Mr. Bruce Miller, City of Fargo Special Assessments, as well as the City Engineering Department staff. He added these costs would be amortized over a 20 year period at an interest rate of seven percent.

Gen. Macdonald moved to approve the assessment totalling \$18,554.93 to Midwest Development Construction, Inc. as presented.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad

The motion was declared carried.

Mr. Dobberstein stated in the lease negotiations we have recently resolved two issues. He stated the first is the rent commencement date. Mr. Dobberstein stated the Airport Authority's policy is for the ground rental payments to begin when construction commences. He stated as an incentive for Mr. Dean he offered that if Airborne Express begins to operate from the facility on or before January 15, 1998, that we will credit the previous ground rental payments up to that date. He indicated Mr. Dean has not responded to this proposal. He stated Mr. Dean has proposed that ground rent payments begin either 220 days after the Lessor's delivery of utilities or the date the Lessee first opens for business on the premises.

Mr. Dobberstein stated he talked to Mr. Tom Schauer, Bismarck FAA Airports District Office, and they have not yet received word on the airspace study.

Discussed Cargo Facility Ground Lease for Midwest Development & Construction, Inc. and Approve Water and Sewer Assessment: (Continued)

Mr. Dobberstein stated there are also a couple of items Mr. Dean needs to work out with Airborne on their agreement which will allow Mr. Dean to proceed. He stated that as of yesterday afternoon those issues had not been resolved.

Chairman Myers stated he would have no problem with offering an incentive to the first developer in this air cargo area and he feels the simplest solution would be to begin charging the lease fee when Airborne opens for business. He stated the Airport Authority has made a commitment to be very aggressive in developing this air cargo area. He stated this is a specific case completely different from anything else we do on this airport.

Mr. Dobberstein stated if Mr. Dean were to begin excavating today an aggressive schedule would give a completion date in about four months.

Chairman Myers stated the delay is not just the fault of the developer because he is waiting for word from the FAA. He stated on run of the mill development he is not willing to budge on our standard operating procedures. He stated this is a case where we are developing a whole new concept in a new area and it will benefit the entire airport.

Gen. Macdonald stated he agrees completely but also feels that Authority should be open to negotiate with anyone.

Mr. Pawluk asked if this issue will make or break anything in this deal.

Mr. Dobberstein indicated it would not. He stated Airborne is firm that they want the facility open the first quarter of 1998.

Gen. Macdonald moved the Authority authorize the Executive Director to enter into a lease agreement with Midwest Development and Construction Inc. with the latitude to negotiate the date that lease payments will commence.

Second by Mr. Pawluk.

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

Mr. Dobberstein stated we have locked into a three cent per square foot increase for each five year period of the lease term. He asked the Authority if they are interested in locking in to the three cent increase for the additional five year terms.

Chairman Myers stated he does not feel it would be smart to lock into rates for long terms. He added that we would be binding future boards to those conditions.

Gen. Macdonald stated the Authority does have the ability to make other increases in the future, such as landing fees.

Mr. Pawluk stated he does not feel Mr. Dean has made any unreasonable requests.

Chairman Myers stated he does not feel the Airport Authority should go beyond 20 years on this lease. He stated after a period of 20 years any prudent investor has paid for the facility and there is no longer an issue of whether the facility has been paid for.

Gen. Macdonald moved to authorize the Executive Director to negotiate a ground rental lease for an initial twenty year term at sixteen cents per square foot with a three cent per square foot increase for each five year period of the initial term, and that MDC be given the right of first refusal on three additional five year terms.

Second by Mr. Pawluk.

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

Authorized Attendance at the AAEE Foreign Trade Zone and Industrial park Development Workshop, November 3, 1997, Miami, FL:

Mr. Dobberstein stated the AAEE has scheduled a conference for November 3, 1997, in Miami, FL, on the topic of Foreign Trade Zones and Industrial Park Development.

Chairman Myers recommended Mr. Dobberstein attend, along with the Vice Chairman, Gen. Macdonald.

Mr. Pawluk moved to authorize Mr. Dobberstein and Gen. Macdonald to attend the AAEE Foreign Trade Zone and Industrial Park Development Workshop, November 3, 1997, Miami, FL.

Second by Ms. Jordan.

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

Absent and not voting: Walstad

The motion was declared carried. (Conference was later cancelled due to lack of adequate registrants.)

Received Communication from Foss Associates Regarding Westside Terminal Roof Evaluation:

Mr. Dobberstein stated he received a communication dated September 24, 1997 from Mr. Patrick DeLaPointe regarding evaluation of the Westside Terminal roof. Mr. Dobberstein stated he talked to Mr. DeLaPointe some time ago and asked him for an evaluation of the roof on the Westside Terminal. He stated his letter outlines his findings and recommendations. He stated Mr. DeLaPointe indicated the overall condition of the roof is good/fair, with replacement possibly needed in the next eight to fourteen years. He also prepared a condensed roof plan showing the condition of the perimeter roof flashings with some needing immediate replacement and other areas not until three to five years from now. The estimates for repair for the next three years is as follows:

Fall 1997	Repair "C" rated flashing \$4,200.00
1998	Repair "B" rated flashing \$4,200.00
1999 or 2000	Repair "A" Series Flashing/Miscellaneous \$3,000.00
2000	Once 2000 is reached the Authority will need to set aside each year for emergency repair only and for future roof replacement.

Mr. Dobberstein stated Mr. DeLaPointe provided names of three roofing companies that could provide the service and we are in the process of contacting those people.

Mr. Pawluk moved to receive and file the communication from Mr. DeLaPointe.

Second by Ms. Jordan.

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

Attorney Stewart now present.

Adopted Resolution of Sympathy for the Family of Mr. Pat O'Day:

Gen. Macdonald stated that having served on the Authority with Mr. O'Day he wished to offer the following resolution and moved its adoption:

WHEREAS, it is with profound sorrow that the Municipal Airport Authority of the City of Fargo, North Dakota, learned of the passing of long time member of the Municipal Airport Authority, Mr. L.P. "Pat" O'Day, and

WHEREAS, Mr. O'Day was a very conscientious and dedicated member of the board serving the airport and the community from 1970 to 1982, and

NOW THEREFORE, BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its heartfelt condolences to the family of L.P. "Pat" O'Day, and

BE IT FURTHER RESOLVED, that this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and a certified copy of herein Resolution be forwarded to the family of L.P. O'Day.

Second by Ms. Jordan.

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

Continued Discussion Regarding South General Aviation Area and Project Plan:

Mr. Dobberstein distributed a Capital Improvement Plan showing all current projects and projects in planning. The plan shows federal funding, state funding, PFC funding and local funding.

Chairman Myers asked why the passenger loading bridge was* moved down to 2003.

Mr. Dobberstein stated as soon as the FAA approves the PFC application the Airport Authority can spend the money on approved projects in any order. He stated he does not feel a loading bridge carries as high a priority as snow removal equipment.

Chairman Myers stated he feels a passenger loading bridge would be a logical use for PFC funds as the PFCs are paid by the passengers. He stated when the bridges are not working it is a terrible inconvenience for people.

Mr. Pawluk stated he agreed but Northwest Airlines is currently the only airline that uses a loading bridge and they own their own bridge and will continue to use that bridge. He stated he agrees it is a high priority but the reality is that as long as Northwest owns their own bridge they are not going to pay to use another bridge regardless of whether it is a new, state of the art loading bridge or the bridge currently at Gate 3.

Mr. Dobberstein stated he was directed by the board to present some ideas and recommendations on the south general aviation area. He stated he provided a copy of his report to the members for review prior to this meeting.

Chairman Myers referred to Paragraph 3 referring to south general aviation hangar owners who are concerned about the future of the area. He asked if it would be in the best interest of the Airport Authority to buy up those condos as they become available.

Mr. Dobberstein stated he feels the ownership of those hangars is best left to the private sector.

Chairman Myers stated he is wondering what the Authority can do to make this a more effective, productive and appealing area. He stated he is not looking for the board to commit to anything today but he feels it should be the long term vision of this board to make this an attractive general aviation area that will attract new tenants. He added that he does not feel the Authority should allow the construction of any more hangars on the south general aviation area until a long range plan has been adopted.

Gen. Macdonald stated the bottom line is Hangars 3 and 4. He suggested the Airport Authority enter into an agreement with Valley Aviation on Hangars 3 and 4 with a specific date for the destruction of those hangars.

Mr. Robert Hamilton, Valley Aviation, was recognized and stated it is their intention to request the Airport Authority tear down Hangar #4 in the spring of 1998. He stated as far as Hangar #3, they have invested \$40,000 in the administration portion of the building.

Chairman Myers indicated that is something that would need to be considered but if we continue as we have been the problem will not be solved.

Ms. Jordan suggesting gathering input from all interest parties, from hangar owners to those who can give us some ideas on economic trends.

Mr. Pawluk stated he feels it is important to point out that there are several distinct areas on the airport: the business aviation area on the north side of the field, the new air cargo area, the air carrier area and the general aviation area which is in the southeast area of the airport. He stated when he and Gen. Macdonald first started on the southeast general aviation study he approached it on the basis that there really was no planning in that area, but the fact is, the area is serving the use it was designed to serve. He stated that while he definitely feels there are improvements to be made, if we did nothing it would continue to serve the general aviation interests.

Continued Discussion Regarding South General Aviation Area and Project Plan:

Mr. Pawluk stated the general aviation aircraft and hangar owners in the area feel the Airport Authority has an alternative use for that area but he stated he does not feel we do and he does not see that area being used for anything but general aviation aircraft. He stated he feels we need to a little more marketing and try to attract some more aircraft to the field. Mr. Pawluk suggested the Authority would want to add more hangars in the space available and he feels it would be a mistake not to allow that. He stated there are some aircraft owners who may want to locate on the north end as well as those who wish to be on the south end and we should encourage either.

Chairman Myers stated he recognized Mr. Pawluk's comments but also recognized the fact that Mr. Pawluk owns a hangar in the southeast area. He stated he feels we need some orderly planning of that area or we are going to end up with more of the same.

Mr. Pawluk stated there is a long range plan for that area but it may not be something everyone agrees with.

Mr. Wes Schon, Ulteig Engineers, stated a plan on paper can be easily derived once a written mission statement has been completed. He stated once that has been done some plans and options can be put on paper. He stated they have the entire southeast general aviation area on their AutoCad system already and it is not difficult to move things around on those plans.

Ms. Jordan stated there seems to be a variety of visions and they need to be put together for the best interest overall.

Gen. Macdonald moved to receive and file the report submitted by Mr. Dobberstein and that he be directed to continue working on a long range plan for the Southeast General Aviation Area.

Second by Mr. Pawluk.

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

Discussed FBO Fee Requirements/Lease Agreements (Fuel Flowage, 1.5% Fee), Considered Amendments to Fargo Aero Tech and Aviation Resources, Ltd. Leases:

Mr. Dobberstein stated that when the Airport Authority approved the assignment of lease as a result of the purchase of Dakota Aero Tech by Fargo Aero Tech, the documents indicated we would review the language in the lease and bring the Fargo Aero Tech FBO requirements up to the same standards as the others. He stated the other FBO leases contain an exclusion of the 1 1/2% for business done with other FBOs.

Chairman Myers asked how an audit or financial review of these contracts will be conducted. He stated this is a tough lease to administer with all of these nickel and dime exclusions. He stated he feels there are too many exceptions. Chairman Myers stated right now the FBOs on the field have more than one entity and the cost to audit or review this will be excessive since the Authority does not make a lot of money on the FBO leases.

Mr. Pawluk stated he feels these operations need to be reviewed at some point whether it is called an audit or not. We need to make sure things are being administered properly and as a result of such a review we end up with knowledge that allows us to define the changes needed. He stated as a result of the review of the car rental companies we came to a conclusion that benefited everyone involved.

Chairman Myers asked if there is a way the FBOs can operate under a simpler lease.

Mr. Pawluk stated a simpler method would be to make no exceptions.

Mr. Dobberstein stated the current method we have for payments on FBO leases on a percentage of sales and fuel flowage fees is standard for the airport industry. He added that he agrees an audit of the FBOs is long over due and he would recommend that each year one of the FBOs is chosen at random for an audit.

Discussed FBO Fee Requirements/Lease Agreements (Fuel Flowage, 1.5% Fee), Considered Amendments to Fargo Aero Tech and Aviation Resources, Ltd. Leases: (Continued)

After further discussion, Gen. Macdonald moved to amend Fargo Aero Tech's lease to be the same as other FBO leases.

Second by Ms. Jordan.

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

Mr. Dobberstein stated the other issue was raised by Dr. Hamilton. He is requesting his lease document be amended to include the same provision provided in the Fargo Jet Center Lease which states that no 1 1/2% fee will be charged for business conducted between related entities.

After further discussion, Gen. Macdonald moved to approve the change as proposed, subject to documentation submitted to the Airport Authority that such businesses are indeed affiliated.

Second by Ms. Jordan.

Mr. Pawluk stated he feels we do have an obligation to treat all operators the same. He added that based on his experience when we dealt with similar issues with the car rental agencies he feels we first consider establishing a financial review process and through that we may find other changes that need to be made. He stated he feels that rather than make changes to the leases now we should allow them to continue as written until we have had a chance to complete the financial reviews.

Ms. Jordan stated she is not in disagreement that an audit should be done but this simply modifies language so that all leases read the same.

Chairman Myers called for a vote on the motion.

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

Mr. Pawluk voted no.

Absent and not voting: Walstad

The motion was declared carried.

Mr. Dobberstein stated the current FBO leases contain a clause excluding a fuel flowage fee on fuel used by lessee in aircraft used in its operation. He stated although it is not written in the leases it has been the policy of the Airport Authority that as long as the airlines have had the capability of dispensing their own fuel, the FBOs have been able to exempt the flowage fee for any fuel dispensed into air carrier aircraft. He added that Northwest Airlines is considering a change in their fueling operation and if they should discontinue fueling their own aircraft does the Airport Authority want to require the FBOs to include fuel pumped for the scheduled passenger carriers in their monthly report and payment.

Gen. Macdonald moved to amend the FBO leases to include language excluding fuel sold to air carriers from the fuel flowage fee.

Second by Ms. Jordan.

Chairman Myers asked Mr. Dobberstein what he is recommending.

Mr. Dobberstein stated he feels the fuel dispensed to the air carriers should be subject to the flowage fee but this may not be the time to do it as we are currently negotiating with the airlines to increase passenger boardings.

Gen. Macdonald stated the airlines pay landing fees, terminal rent and crash fire rescue services and we have the ability to adjust those fees as necessary. He stated he feels that to nickel and dime them to death has an affect on their attitude toward us. He stated he would encourage the board not to change its policy on the fuel flowage fee for the simple fact that it sends the wrong message. He stated we have been asking them to lower their fares and we are starting to get their attention and he feels making this change would be a step in the wrong direction.

Mr. Pawluk stated the logic and reasons to support this are good but he feels we should be moving toward fewer exceptions rather than more exceptions.

Chairman Myers called for a vote on the motion.

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

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, stated they are still working on final items on the North General Aviation Area such as the topsoiling. The taxiway lighting and painting will begin this week. Seeding and sodding will be completed next spring.

Mr. Schon stated all of the pavement on the air cargo ramp has been completed and they are working on the topsoiling there as well. He stated there is one section of pavement left to complete in the access road and some asphalt work for the shoulders. He stated the street lighting work will be done in October. He stated the site is ready for Airborne as soon as they ready to begin.

Chairman Myers asked if anything has been done about the water problems the National Guard facility on the north side of the field had during the flood.

Mr. Schon stated he put together a letter to Mr. Dobberstein recently recommending we look at a number of things in light of the development in that area. He stated they have also met with the City Engineer about some sort of pumping capability so the problems we saw this year do not occur again. He stated Mr. Bittner felt that was an excellent idea. He stated we also want to look at the intersection of 31st Street North and 39th Avenue that connects into County 20. He stated that Metro Cog is going to be doing a study starting in 1998 on the area they serve on County 20. He stated that area is being developed both on the airport's side as well as the area north of County 20. He stated this is a well used road and they are going to be looking at street connections and what will be best to facilitate traffic while keeping accidents to a minimum.

Chairman Myers stated another items he does not want to see the Authority fall behind on is the extension of Runway 17/35, which would require the relocation of Cass County 20. He stated he feels we should be corresponding with the Fargo Planning Commission on this. He stated he would like the Airport Authority to go on record with the Planning Commission that the only way we can extend Runway 17/35 is to the north and make them aware of our plans to expand air cargo operations at Hector Airport.

Ms. Jordan moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, October 14, 1997, 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 11:39 a.m.

The board adjourned to a closed executive session to discuss pending litigation.

Special Meeting

Friday

October 3, 1997

A special meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Friday, October 3, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Pawluk, Myers

Absent: Walstad, Jordan

Others: Stewart, Martin

Chairman Myers presiding.

Received Oral Bids for the Leasing of Airport Farm Land:

Written bids for the leasing of airport farm land for the three year term of 1998 2000 were received at the regular meeting of the Municipal Airport Authority held Tuesday, September 30, 1997. At that time it was decided oral bids should be received. Successful bidders on the oral bidding process were as follows:

Parcel #1

North Dakota State University \$65.50 per acre

Parcel #2

Bill Borgen \$73.00 per acre

Parcel #3

Bill Borgen \$73.00 per acre

Parcel #4

Bill Borgen \$63.00 per acre

Parcel #5

Bill Borgen \$65.00 per acre

Parcel #6

Bill Borgen \$68.00 per acre

Parcel #7

Bill Borgen \$68.00 per acre

Parcel #8

David Heck \$62.00 per acre

Received Oral Bids for the Leasing of Airport Farm Land: (Continued)

Gen. Macdonald moved the Executive Director be authorized to sign leases with the successful bidders and that the successful bidders be authorized to begin the necessary preparation of the land for the next crop year.

Second by Mr. Pawluk.

Prior to the bidding process, Mr. Dobberstein reviewed with the bidders seven conditions in the farm land leases:

1. Full payment is due April 1 of each year
2. Acreage adjustments will be made on or before November 1 of each year for airport related expansion on current tillable acres.
3. Drainage improvements will be at the lessee's expense and lessee must notify the Airport Authority of plans and obtain necessary permits.
4. Crop restrictions include no sunflowers or corn within fenced areas.
5. Airport security requirements must be observed within the fenced areas.
6. Proof must be provided that leasehold property taxes are current/paid prior to each crop season.
7. Property must be plowed/tilled each fall.

There was discussion on the fact that some of the bidders were not aware that NDSU reserved the right to match the top bid on Parcel #1. It was the consensus of the bidders present that it was important for NDSU to have that parcel for crop research.

Chairman Myers called for a vote on the motion.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Mr. Pawluk moved to adjourn the special meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, October 14, 1997.

Second by Gen. Macdonald.

The motion was declared carried.

Time at adjournment was 9:28 a.m.

Regular Meeting

Tuesday

October 14, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 14, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Pawluk, Myers

Absent: Jordan

Others: Stewart, Bromenschenkel

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 14, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 14, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$35,667.35:

Gen. Macdonald moved to approve the airport vouchers totalling \$35,667.35.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,141.51 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the North General Aviation Ramp Expansion.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,152.97 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$30,315.08 to Northern Improvement Company for construction of the North General Aviation Ramp Expansion.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$115,835.88 to Northern Improvement Company for construction of the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to The Forum:

Gen. Macdonald moved to approve the individual voucher in the amount of \$152.32 to Forum Publishing Company for the advertisement of request for proposals for the leasing of airport farm land.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,200.00 to Municipal Industrial Contracting for repairs to collapsed sanitary and storm sewer in the Eastside Terminal parking lot.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Ford Tractor of Fargo:

Mr. Dobberstein stated the New Holland mower has been delivered but the equipment operator staff is not satisfied with the unit due to the turning radius, along with some other minor problems. He stated they have done some checking on other units such as John Deere and Toro and apparently their turning radius on those units is not any better. The specifications called for a zero turning radius but apparently that expectation was too aggressive.

Chairman Myers stated he feels we need to be careful to act in good faith with the supplier.

Mr. Bromenschenkel stated if the unit meets all specifications and is the low bid the Authority is obligated to keep the unit.

Approved the Individual Voucher to Ford Tractor of Fargo: (Continued)

Mr. Dobberstein stated Fargo Ford Tractor has been good to work with and he hopes to have the problem resolved in the next few days.

Gen. Macdonald moved to approve the individual voucher in the amount of \$17,034.00 for the purchase of the New Holland CM72 Mower, subject to final decision of the Executive Director.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved Individual Voucher to Obermiller Nelson Engineering:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,853.82 for engineering services in connection with the HVAC analysis of the Westside Terminal tug concourse.

Second by Mr. Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Received Communication from Obermiller Nelson Engineering Regarding Tug Concourse HVAC Analysis:

Mr. Dobberstein stated Obermiller Nelson Engineering has been continuing their study of the tug concourse HVAC system. He stated they have been taking carbon monoxide readings and they have the results of those tests.

Mr. David Obermiller was recognized and stated they set up carbon monoxide testing equipment in the tug concourse area to test exhaust inlets. He stated their test showed that the actual exhaust quantities in the tug concourse are half of what the original design indicated (8,000 cfms vs. 15,000 cfms). He stated they have also been working with Mr. Bob Suchan, Robert Gibb & Sons, to check the capacity of the exhaust fans and found that the original specifications called for two h.p. motors and the motors in place were 1.5 hp.

Mr. Obermiller stated that the tug concourse area was not originally designed for habitation but according to tests results there should be no concern for the carbon monoxide levels according to workplace standards set by OSHA.

Mr. Obermiller stated the carbon monoxide levels at this time are well within OSHA standards and he would recommend installing only one air makeup unit with a two speed fan rather than two units as previously proposed. He stated if we would see increased use of the tug area, such as the presence of another air carrier, we could look at installing another unit. He also indicated that measurements may be different in the winter months and they plan to take some readings at that time.

Gen. Macdonald moved to receive and file the communication from Obermiller Nelson Engineering on the carbon monoxide testing and authorize the Executive Director to enter into a contract to complete this project if the engineer's estimate comes in under \$15,000, and provided the project can be completed in a timely manner, and further that the tenants be advised of the results of this study and that the study be conducted again this winter on a cold day during a blizzard.

Second by Mr. Walstad.

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

Received Communication from Northwest Airlines Regarding Leasing Additional Terminal Space:

Mr. Dobberstein stated Mr. Scott Roe, Northwest Airlines station manager in Fargo, has indicated they are interested in leasing two additional areas in the terminal building. He stated he has not received formal written request from Mr. Roe but he presented a diagram of the two areas. He stated the first is the former office area of Frontier Airlines and this would be used as their break room/locker area. This area would be \$618.38 per month as well as the electrical costs for the area. Mr. Dobberstein stated the second area is the former Republic baggage service area in the tug concourse. He added that Northwest is also looking at leasing the baggage service office (former Thrifty space) and that will be determined by January 1.

Mr. Dobberstein added that any agreement would contain a clause requiring Northwest to return the space to it original condition upon vacating the space and that space would be vacated should we need space to accommodate another airlines.

Mr. Walstad moved the Executive Director be authorized to enter into an agreement with Northwest Airlines for the additional space requested.

Second by Mr. Pawluk.

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

Absent and not voting: Jordan

The motion was declared carried.

Received Communication from Michael Burns Architects and Herzog Roofing Regarding Hangar #2 Roofing Project:

Mr. Mark Gradin, Michael Burns Architects, was recognized and stated they have been waiting for responses from Firestone Building Products Company and Herzog Roofing on the Hangar #2 roof project. Copies of communications from both Firestone and Herzog Roofing were provided.

Firestone has reviewed and will accept the following assembly if installed in accordance with current Firestone specifications. This project is eligible for the Firestone Red Shield Warranty up to 15 years, with wind speed coverage up to 55 mph, upon final inspection and acceptance of the installed roofing system by Firestone:

Construction:	Recover Existing EPDM shall become air barrier
Deck Type:	3/4" wood plank
Insulation Assembly:	1.5" ISO attached 1 per 2 sq. ft. with increased perimeter and corner attachment 50 and 75% respective
Membrane Type and Gauge:	.060 EPDM
System Type:	Fully Adhered
Other:	All bad decking must be replaced with new Pull test must be done and submitted to Firestone to verify integrity of deck All wet or damaged insulation must be removed and replaced Any areas repaired must have air barrier reconstructed to prevent air infiltration Edge details to be installed as per attachment Interim inspections by Firestone can be arranged during construction

Received Communication from Michael Burns Architects and Herzog Roofing Regarding Hangar #2 Roofing Project: (Continued)

Mr. Herzog's communication added the following items

The 1 1/2" isocyanurate is more expensive than the ESB board
The increased cost of the isocyanurate is offset by the labor involved with handling the OSB board.
The repair costs to date would be offset by the labor savings by leaving the existing EPDM in place as well as the 1/2" wood fiberboard
The original unit costs still would be needed if any existing insulation is replaced
Lead time for isocyanurate delivery is ten days to two weeks

Chairman Myers stated he would want written confirmation that this roof is a UL 90 rated roof, which is more important than the stated wind speed a roof will withstand. Chairman Myers stated he would recommend delaying this project until spring and until all of these areas of concern have been thoroughly investigated.

Gen. Macdonald stated he agrees fully that we should wait for better weather to conduct this roofing project and that we look more in depth at these concerns.

Gen. Macdonald moved to receive and file the communications from Firestone and Herzog Roofing and that the project be delayed until next spring, and that the architect continue to research to insure that the roof meets specifications and that all of this information be forwarded to the insurance carrier for their approval.

Second by Mr. Pawluk.

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

Received Request from Francis Butler to Construct a Hangar in the South General Aviation Area:

Mr. Dobberstein stated he received a request from Mr. Francis Butler to lease space in the south general aviation area to build a hangar. Mr. Dobberstein stated at the last meeting he was directed to do some planning for that area. He stated the Airport Authority can either approve Mr. Butler's request or delay it until a plan has been adopted and grant Mr. Butler the first right of refusal on this site.

Mr. Dobberstein stated this is a good request but the board members would like a more detailed plan for the area before lifting the moratorium on building in the south general aviation area.

Mr. Dobberstein asked Mr. Butler if the Airport Authority decided to not allow any more hangars in the south general aviation area would he be interested in locating in the north general aviation area.

Mr. Butler indicated he would consider that as an option and has other possibilities in mind as well. Mr. Butler added he is in no big hurry at this time but was planning to build by next spring. He added that he would like to see the Authority's plans for the south general aviation area before making his final decision.

Gen. Macdonald moved to receive and file the request from Mr. Francis Butler and that he be given the right of first refusal on the site requested and that the Airport Authority will inform him by March 1, 1998 of its plans for the area.

Second by Mr. Pawluk.

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

Chairman Myers advised Mr. Butler that any input he might have on plans for the south general aviation area would be welcome and that the Airport Authority's goal is to make that the best general aviation area possible.

Received Notice from American Eagle Group Inc. Regarding Airport Liability Insurance Policy:

Mr. Dobberstein stated he received a notice from American Eagle Group and Sedgwick Aviation, the airport's liability loss control consultant, advising that Great American Insurance Company has purchased American Eagle and that our liability coverage will now be written with Great American. Mr. Dobberstein stated that he would like Sedgwick to market our coverage with some other companies.

Mr. Pawluk moved to receive and file the communications and authorize the Executive Director to shop the insurance market for our airport liability insurance coverage.

Second by Mr. Walstad.

Mr. Dobberstein explained that Alexander & Alexander formerly handled this coverage for the airport as they handle the City's coverages but the former finance director marketed this coverage through Sedgwick last year.

Mr. Pawluk stated his motion gives Mr. Dobberstein the option to use Alexander & Alexander as well if he feels it would be in the best interest of the airport.

Chairman Myers called for a vote on the motion.

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

Received Communication from The Barnstormer Advising of Promotion Program:

Mr. Dobberstein provided the members with communications from The Barnstormer and APCOA, Inc. regarding some promotional ideas The Barnstormer is looking to implement. He stated their purpose is to attract more customers after 5:00 p.m. The Barnstormer is requesting the Airport Authority approve them issuing free parking tickets for customers after 5:00 p.m. and they would then reimburse APCOA \$1.00 for each ticket. A letter dated October 3, 1997, from Mr. Mike Coleman, APCOA, indicates they would participate in the offer provided the guidelines given are followed:

1. This special \$1.00 rate is offered to restaurant patrons after 5:00 p.m.
2. The current validation program remains in effect for all patrons prior to 5:00 p.m.
3. This coupon will not be honored on any ticket time stamped before 5:00 p.m. or presented after 2:00 a.m.
4. No coupon will be honored on any tickets of 24 hours or older.

Mr. Haug's letter also indicated they have started a promotion geared toward the business community and they will be inviting 20 people per week to have lunch at The Barnstormer. He also indicated they would be expanding their breakfast service to the first floor check in area to accommodate people in the ticket lines who do not have time to use the restaurant.

Mr. Pawluk moved to receive and file the communications from The Barnstormer and APCOA and that the Authority encourage Mr. Haug and Mr. Oslund to continue their efforts in these promotions.

Second by Mr. Wasltad.

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

Received Update on Air Cargo Facility:

Mr. Dobberstein stated he spoke with Mr. K.C. Brown, Midwest Development & Construction yesterday and one of the hold ups on the project continues to be final word from the FAA on the airspace study. He stated their objection is the metallic material on the side of the building. He stated he has been in contact with Tom Schauer in the Bismarck FAA Airports District Office and we hope to have something in writing by the end of the week.

Received Update on Air Cargo Facility: (Continued)

Chairman Myers asked Mr. Dobberstein if there is anything the Airport Authority can do to get the FAA to give us some definitive answers and written guidelines we can use for future development so that we are not constantly faced with these delays.

Mr. Dobberstein stated he has started that process with a letter to the local airway facilities manager conveying our concerns about the difficulties we are having in developing our north general aviation area and the possibility of relocating the ASR.

Received Update on Airport Construction Projects:

Mr. Wes Schon, Ulteig Engineers, stated the taxiway lights for the general aviation apron are in place. All of the tiedowns have been sandblasted and we are waiting for the weather to improve for painting.

Mr. Schon stated on the air cargo ramp project all of the bituminous work has been done so the road connection has been completed. He stated the fencing has been staked and ran into some delay due to rain.

Chairman Myers asked what was decided about replacing the sliding gate between Fargo Jet Center and Valley Aviation with a vertical gate.

Mr. Schon stated an overhead gate is planned for the air cargo area and he would like to give that one a trial period before changing the other gate to a vertical gate.

Received Communication from Valley Aviation Regarding Tenant:

Chairman Myers added this item to the agenda.

Mr. Dobberstein received a communication dated October 8, 1997, from Mr. Robert Hamilton advising that it is their intention to lease out the east half of the building referred to as "Valley South" (blue hangar). The Lessee would be with Exclusive Aviation and the lease would begin on November 1, 1997. This company is currently leasing the cinder block building (Hangar #8).

Mr. Dobberstein stated that the Airport Authority owns Hangar #8 and our agreement with Valley Aviation is that if this building is subleased the Authority received 90% of the rent. This amount is currently \$500 per month, \$450 to the Airport Authority.

Mr. Hamilton stated it is their intention to use the block building for storage. He added that the reason Exclusive Aviation decided to move is the cost to heat that building in the winter.

Mr. Dobberstein stated since Exclusive Aviation is a non FBO entity it would be subject to a ground rental or 1.5% of rent paid to Valley Aviation, whichever is greater.

Gen. Macdonald moved to approve the request from Valley Aviation.

Second by Mr. Walstad.

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

Absent and not voting: Jordan.

The motion was declared carried.

Received Bids on Westside Terminal Roofing Repairs:

Mr. Dobberstein stated at the last meeting the Authority received a report on the analysis of the Westside Terminal roof conducted by Mr. Patrick DeLaPointe, Foss Associates. He stated we have received proposals from United Roofing and Greenberg Roofing for the items Mr. DeLaPointe recommended be completed this fall. Those proposals were as follows:

United Roofing	\$3,345.00
Greenberg Roofing	\$4,145.00

Mr. Dobberstein stated we also received proposals on the repairs recommended to be completed in 1998 and those amounts were as follows:

United Roofing	\$8,950.00 (both projects)
Greenberg Roofing	\$8,334.00 (add for addl. items)

Mr. Dobberstein stated he will confirm with both bidders the amounts of their proposals as the bids were worded differently.

Chairman Myers stated he feels it makes sense to complete both repair projects at this time rather than waiting on the additional repairs until 1998.

Gen. Macdonald moved the Authority award the roofing repair project to the low bidder on both projects and that Foss Associates supervise the project.

Second by Mr. Wasltad.

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

Absent and not voting: Jordan

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, October 28, 1997 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 10:56 a.m.

Regular Meeting

Tuesday

October 28, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 28, 1997, 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Jordan, Myers

Absent: Pawluk

Others: Stewart, Bromenschenkel

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting Held October 14, 1997:

Mr. Walstad moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 14, 1997.

Second by Gen. Macdonald.

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

Approved Airport Vouchers Totalling \$36,293.41:

Gen. Macdonald moved to approve the airport vouchers totalling \$36,293.41.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Jordan and Myers voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Received Communication from Metropolitan Council of Governments Regarding Traffic Improvement Study Relating to Intermodal Freight Development:

Mr. Dobberstein stated that Brian Shorten (Director) and Cindy Gray (Transportation Planner) with the Metropolitan Council of Governments are present at today's meeting to advise the board on their plans to analyze the potential traffic impact our air cargo development will have on the current local, state and federal road system.

Cindy Gray was recognized and stated the Metro COG begins planning their projects each June for the following year. She stated they sent out questionnaires asking for input on which types of transportation related projects were needed in the metropolitan area. She stated one of the requests that came back to them was to do a traffic study related to the expansion of air cargo facilities at the airport. They are looking at studying short term needs at this time for the development of the air cargo facility as well as other development along County 20 both on the airport and north of the airport. Their objective is to prepare a traffic impact study related to intermodal freight and traffic flow and possible new railroad container facilities at Hector International Airport, and their ancillary effects of County roadways accessing state and federal highways.

Received Communication from Metropolitan Council of Governments Regarding Traffic Improvement Study Relating to Intermodal Freight Development: (Continued)

The concept for this study was generated by the private sector, the Airport Authority and county and city officials interested in the intermodal opportunities and impacts that could be created by expanded use of the international airport as a freight handling facility. This major metro intermodal freight/traffic study would consist of six specific work activities including: estimating future trip generation of the airport cargo facility and of future industrial development in the surrounding area, distributing the projected trips generated by future development and cargo related traffic activity onto the surrounding roadway system; determining the roadway capacity needed to accommodate future traffic volumes resulting from airport development, the cargo facility, development in the surrounding area, and background traffic growth on roadways within the study area; determining an access management plan aimed at consolidating site access off County Road 22 and County Road 20; identifying interim roadway improvements and traffic control measures that may be needed in the short term as a result of the cargo apron and associated development; bringing together the parties that would be involved in determining the feasibility of a railroad container facility or storage of more containers at Hector Airport and estimating the traffic impact of this new activity, as well as estimating the reduction in traffic which would occur at other sites if they were made at the airport; forming a study review committee and periodically convening to get input on future land use assumptions, circulation alternatives, discuss study results and recommendations.

The study titled "The Fargo Air Cargo Intermodal Facility Service Traffic Study" would be initiated in January and completed by December 31, 1998.

Mr. Shorten was recognized and stated they will be open for input during this process. He stated METRO COG does not just do studies but will work over the long term with all involved to obtain funding and see completion of the needed projects. He stated this study is timely as the State is looking at \$60 million of improvements to I 29 at some time in the future so input from all parties is important.

Discussed Air Service with Mr. Gary Ness, Executive Director of the North Dakota Aeronautics Commission:

Mr. Gary Ness, Executive Director, North Dakota Aeronautics Commission was recognized. He stated that the meeting held October 17, 1997, which was called by Sen. Byron Dorgan and involved representatives of the four largest cities in North Dakota, the two airlines serving the state, as well as the unprecedented presence of people from the Denver International Airport. He stated the Denver people realize their hub is losing passengers and PFC revenue they used to receive when North Dakota had air service to Denver. He added that Senator Dorgan's involvement is always welcome.

Mr. Ness stated Northwest Airlines is a vital part of the future of air service in this state as they have been here since 1931. He stated he thinks now that Northwest has heard that they are losing a great percentage of the passengers who are driving to Sioux Falls they will be interested in doing something. He stated our problem of high fares is not unique, cities in other areas of the country are having the same problem and have the same concerns. He stated he feels the positive point of our approach is that all four communities are working together.

Chairman Myers stated he seriously believes that getting another airlines into Fargo is not necessarily the answer for our needs in Fargo. He feels rather taking a strong approach to continually feeding Northwest the message that this market is overpriced. He stated Gen. Macdonald has done extensive research on cost differentials in ticket prices. He stated we need to prove to them that they are losing money and that is the only thing they will understand.

Discussed Air Service with Mr. Gary Ness, Executive Director of the North Dakota Aeronautics Commission: (Continued)

Gen. Macdonald stated he feels the air carriers are missing the fact that today's travelers are more sophisticated and have access to more information on fares and the airline marketers do not have this in their equation yet.

Ms. Jordan asked Mr. Ness if the ND Aeronautics Commission is getting calls and comments on air service.

Mr. Ness indicated they do and gave an example of a family that recently advised them that they drove to another city to initiate their travel because of the amount of money they were able to save.

Ms. Jordan stated she is concerned that some people have been given the perception that flying out of Fargo is always higher and so they don't even try to fly out of Fargo but automatically fly out of Sioux Falls or Minneapolis. She also commented that she flies every week and it seems the chance of the 4:25 pm departure out of Minneapolis to Fargo has a 50/50 chance of being cancelled.

Mr. Ness stated that Mr. John Watkins, Vice President of Operations for Northwest did indicate to him that they have not been doing as well in customer service in the last 18 months. Chairman Myers stated it is his personal feeling that the Airport Authority is prepared to assist the airlines in marketing their services in this area but they must communicate with us. He added that an airline is not going to have passengers just by their presence but it is going to require some marketing effort on their part.

Mr. Ness stated before Frontier Airlines inaugurated service in North Dakota they came to the Aeronautics Commission and asked what cities they should serve. He stated they gave Frontier information on the most popular destinations and then they chose other cities.

Mr. Dobberstein stated when Frontier started service in Fargo the Chamber conducted a travel study but they did not properly use the information they were given. He added that we would need a commitment on a schedule from any new airline interested in coming to this market. He added that as United Airlines works through their contracts with their pilots he feels we will see added regional jet service, which will be good for the rural markets.

Mr. Walstad stated at an earlier meeting a comment was made from Fargo Jet Center on the number of people they have chartering aircraft to Sioux Falls and Minneapolis to connect with commercial flights.

Mr. Pat Sweeney, Fargo Jet Center, was recognized and stated they are turning down more charters that they are able to fly because of the increase of these types of requests. He stated the interest is picking up which is good for general aviation. He stated they are also seeing more corporate travellers chartering general aviation flights to other cities to conduct their business (Minneapolis, Denver, etc.) rather than flying commercial airlines.

Ms. Jordan stated in view of the different strategies discussed we may want to embark on a general "Fly Fargo" campaign featuring all of the airlines, as well as general aviation, promoting the ease and convenience of flying out of Hector Airport. Gen. Macdonald stated with the changes in travel agent fees and charges, a travel agent will first encourage a passenger to fly out of the city offering the lowest fare and not necessarily promote travel out of Fargo.

Chairman Myers directed comments to Mr. Ness regarding a problem the Airport Authority has had with the FAA in getting their approval on buildings on the airport because of their interference with the FAA's radar. He stated the Authority is working hard to develop the airport and then the FAA throws up a roadblock and objects to a building because of its interference with the radar. Chairman Myers asked if the Authority could see some assistance on the state level.

Discussed Air Service with Mr. Gary Ness, Executive Director of the North Dakota Aeronautics Commission: (Continued)

Mr. Ness stated they are having the same problem in Bismarck but was not aware this was a problem in Fargo. He indicated he was going to be in the FAA's regional office in November and would discuss the matter with them.

Gen. Macdonald stated that we have been advised the FAA will be changing their radar system at some time in the future but the Authority would like a solution to the problem now and we are not interested in waiting until the radar is changed.

Discussed FEMA Participation to Repair 31st Street North:

Mr. Dobberstein stated that during the flooding this spring 31st Street North at the north end of the airport (road serving the Armed Forces Reserve Center on the north end) was under water. He stated there were repairs made to the road as part of the Air Cargo Project. He stated he and Mr. Wes Schon met with City Engineer Mark Bittner to discuss some other matters and at the same time discussed the condition of 31st Street. As a result of that meeting we applied to FEMA for funds to repair 31st Street. He stated he met with representatives from FEMA and it was decided that FEMA will participate in 98% of the cost to repair the road (engineer's estimate was \$24,250).

Mr. Dobberstein stated that since 31st Street will also be serving the air cargo area this may be the time to look at upgrading the road to concrete rather than rehabilitate the asphalt with an overlay.

Mr. Schon stated that he does not feel there is time yet this fall to complete this road improvement and he feels the project would come out better if we wait until next spring. He stated Northern Improvement has indicated their contract will remain open until this item is done and he will get written confirmation of that.

Ms. Jordan moved the Executive Director be authorized to work with Ulteig Engineers to extend the current bid prices for necessary repairs to 31st Street, with the understanding that the Authority may choose to use concrete rather than an asphalt overlay.

Second by Gen. Macdonald.

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

Received Update on Ground Lease with Midwest Development & Construction Inc.:

Mr. Dobberstein stated he and Attorney Stewart have been working with Mr. Jerry Dean, MDC, and his attorney Rick Katz. He stated we have not received a final lease as there are apparently a couple of issues yet to resolve. He stated we do not know what these issues are.

After discussion on the matter, Gen. Macdonald moved the Executive Director be instructed to initiate a conference call with all available members upon receipt of a finalized lease, at which time a vote can be taken to approve the lease.

Second by Mr. Walstad.

Walstad and Macdonald voted aye.

Jordan and Myers voted no.

Motion failed.

Gen. Macdonald moved to authorize the Executive Director and Attorney Stewart to execute a lease with Midwest Development & Construction Inc., and that board members be contacted if there are any unusual circumstances that should arise.

Second by Ms. Jordan.

On the call of the roll, members Walstad, Macdonald, Jordan and Myers voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Received Third Quarter PFC Report:

Ms. Jordan moved to receive and file the PFC report for the third quarter 1997.
Second by Mr. Walstad.
All members present voted aye and the motion was declared.

Considered Proposal from Country Greenery:

Mr. Dobberstein stated at the request of the Airport Authority he met with Alma Cater, Country Greenery, and asked her to present a proposal to reduce the monthly cost for the plants in the Westside Terminal. He stated Alma has come up with a proposal to reduce the cost by 50% by reducing the number of plants and changing the arrangement somewhat. He stated she indicated she is comfortable that they will still look attractive.

Ms. Jordan moved to accept the proposal by Country Greenery, as recommended by the Executive Director, and that the change be implemented as soon as possible.
Second by Gen. Macdonald.
All members present voted aye and the motion was declared carried.

Considered Request from Dr. Tom Nagle to Install Underground Fuel Tank Adjacent to South General Aviation Area Hangar:

Mr. Dobberstein stated some time ago he received a verbal request from Dr. Tom Nagle to install a fuel tank near his hangar in the southeast general aviation area. He stated Dr. Nagle owns a hangar with David Olig (Northwest Hangar), with a lease expiration date of 2008.

Mr. Dobberstein stated the initial proposed tank was a 500 gallon, above ground tank in which he plans to store kerosene. He advised Dr. Nagle this is something that would have to be approved by the Fire Department and he heard nothing from Dr. Nagle after that. He stated he received a call from R&R Petroleum last week advising that Dr. Nagle had ordered the tank and it was ready to be installed.

Mr. Dobberstein stated Dr. Nagle is now asking for a 1,000 gallon underground tank. He stated he has seen the plans which were presented to the Fargo Fire Department and approved.

Chairman Myers stated he would not have a problem with this request if the tank is a double wall tank. Chairman Myers stated the potential liability on behalf of the airport in the case of a spill concerns him. He asked representatives of the FBOs present if they had been approached by Dr. Nagle to provide fuel for him.

Mr. Pat Sweeney was recognized and stated when Fargo Jet Center built their fuel farm they had to follow very rigorous guidelines and the idea of personal tanks scattered about the airport would concern him.

Mr. Dobberstein stated the Fargo Jet Center fuel farm is considered a public facility and there are different guidelines for private facilities.

Mr. Sweeney stated he cannot imagine the economic advantage for Dr. Nagle to spend this amount of money on the amount of fuel he plans to use each year.

Mr. Dobberstein stated he feels it may be in the best interest of the Airport Authority to have John Arens and Norm Scott from the Fire Department to be present at our next meeting to discuss some of these issues.

Mr. Dobberstein stated that part of our grant assurances we have with the FAA is that we cannot deny a private aircraft owner the right to dispense their own fuel, but we do reserve the right to set the guidelines and conditions under which this will be allowed.

Mr. Sweeney stated he recalls it was the intention of the Airport Authority to locate all fuel farms in one location at the north end of the field. Mr. Sweeney stated the Authority should consider this carefully as they will receive many more such requests and wonders where it will stop.

Considered Request from Dr. Tom Nagle to Install Underground Fuel Tank Adjacent to South General Aviation Area Hangar: (Continued)

Mr. Robert Hamilton, Valley Aviation, was recognized and stated that he agrees with Mr. Sweeney. He stated allowing this would be opening a can of worms. He added that he cannot see the savings by having your own tank considering the current retail price.

Chairman Myers stated he is nervous about allowing any more fueling facilities on the airport. He stated he was on the board when Mr. Sweeney received approval to locate their fuel farm on the north end and it was the desire of the board to locate fueling facilities on the north end of the airport.

Mr. Dobberstein stated if we deny someone the right to fuel their own aircraft upon meeting all obligations we will face discrimination charges.

Chairman Myers stated he is trying to make sense out of this request, both from the standpoint of the Airport Authority and from Dr. Nagle. He indicated this is another matter that shows the need for a master plan for the southeast general aviation area.

Ms. Jordan stated we cannot stop someone from making a bad business decision but we can address the safety issues and the need for planning.

Gen. Macdonald stated it is his feeling that the south general aviation area be a place for the small aircraft operator. He stated he agrees we need a master plan for that area but we need to move ahead.

Mr. Wes Schon stated he and Mr. Dobberstein and Mr. Anderson have started the process of planning for the southeast general aviation area and have put some ideas together. He stated if there is an interest in self fueling it may be a matter of designating an area that will not tie up space for future hangar development. He stated that he has more confidence in the underground tanks that are being manufactured now than those put in the ground years ago. He added that there are advantages and disadvantages to both underground and above ground tanks. Mr. Schon stated they should have some preliminary ideas for the board at the next meeting.

Gen. Macdonald moved the request be turned over to the Executive Director, Attorney Stewart and engineer, Wes Schon, to determine if all standards and regulations have been complied with and report back to the Authority.

Second by Mr. Wasltad.

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

Discussed November Meeting Dates:

Discussion was held on a date for the first meeting in November, due to the Veteran's Day holiday falling on our regular meeting date. It was decided that the first meeting of November would be held Monday, November 10, 1997 at 9:00 a.m.

Received Update on Airport Construction Projects:

Mr. Schon stated all of the painting on the general aviation ramp has been completed. He stated they are now working on lights, signs and fencing.

Other Business:

Chairman Myers reported that we checked with the NDSU Engineering Department about studying our problem with the access road lights but they have indicated they would not be interest in that so we are back to square one. He stated Mr. Dobberstein is going to go ahead and try a few of the cobra head fixtures on the present poles to see how they stand the winter.

Chairman Myers stated he feels the gate at the security check point into the departure lounge is closed too long and too often. He stated he does not feel this accommodates the passengers and he would like to see the issue addressed with Northwest Airlines.

Mr. Dobberstein stated Mr. Scott Roe, Northwest Airlines station manager, will be at the next meeting to address this issue. He added that the security employees have been advised that passengers are not to be left in the departure area when the gate is locked and unattended.

Mr. Walstad moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Monday, November 10, 1997, at 9:00 am in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 11:22 a.m.

Regular Meeting

Monday

November 10, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Monday, November 10, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Pawluk, Myers

Absent: Jordan

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 28, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held October 18, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$36,411.92:

Gen. Macdonald moved to approve the airport vouchers totalling \$36,411.92.

Second by Walstad.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Municipal Industrial Contracting:

Mr. Walstad moved to approve the individual voucher in the amount of \$3,000.00 to Municipal Industrial Contracting for partial payment request (Final) for construction of the air cargo water and sewer project.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Walstad moved to approve the individual voucher in the amount of \$88,887.85 to Northern Improvement Company for partial payment request for construction of the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Walstad moved to approve the individual voucher in the amount of \$22,337.39 to Northern Improvement Company for partial payment request for construction of the North General Aviation Ramp Expansion Project.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan

The motion was declared carried.

Discussed Airport Fuel Tank Requirements with Fargo Fire Department:

Mr. Dobberstein stated at the last meeting the Airport Authority received a request from Dr. Tom Nagle to be allowed to place a 1,000 gallon underground storage tank for his use next to his hangar in the southeast general aviation area. He stated due to some concerns raised by the board members he directed a number of questions to John Arens, Fire Prevention Inspector with the Fargo Fire Department. He stated Mr. Arens is present at the meeting today to answer those questions and to review the regulations regarding fuel tanks.

Mr. Arens stated the Uniform Fire Code does not allow dispensing from above ground tanks with one exception, if it is impossible to do so from underground. He stated a few years ago the State changed that and said that State law supersedes all fire codes and they do allow dispensing from above ground tanks. However, the State does allow cities to zone for it. He stated Fargo has zoned for above ground dispensing in heavy industrial areas only. Mr. Arens stated the above ground tanks at the airport (Fargo Air, Inc. and ABHN) are the only above ground dispensing tanks, the Northwest Airlines, Fargo Jet and Valley fuel tanks are above ground storage tanks, not dispensing.

Mr. Arens stated he has received a number of calls regarding above ground tanks on the airport. He stated the rules for an above ground tank are not the same for underground tanks, nor are they the same for dispensing tanks as they are for storage tanks. He stated right now the airport is not zoned heavy industrial so underground tanks are the only type of tanks allowed. He stated when Fargo Jet Center installed their tanks they obtained a special use permit. He stated you do not need approval from the State to install an underground tank but you do need to register the tank and pay a \$125 fee year . He stated this fee includes insurance for the tank. He stated the annual fee for an above ground tank is \$75.

Chairman Myers stated he does not understand, with all of the costs and fees involved, how an aircraft owner feels they can save on fuel costs when we have FBOs that will provide this fueling.

Mr. Pawluk stated this request came to the board as a result of Dr. Nagle's intent to use kerosene. He stated it is his understanding that the FBOs would have kerosene available.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated they do not have kerosene available on the field but Dr. Nagle prefers to use kerosene, even though the aircraft can use jet fuel.

Mr. Pawluk stated if Dr. Nagle can get what he needs from an FBO we should not have to open this can of worms, but if he cannot get what he needs we will have to allow him his request subject to all of the regulations.

Chairman Myers stated the Airport Authority has the ability to require that anyone installing a tank install only the best tank available. He added that with today's technology in tank construction and monitoring equipment a leak would be rare.

Discussed Airport Fuel Tank Requirements with Fargo Fire Department: (Continued)

Mr. Dobberstein stated Dr. Nagle is willing to place the tank wherever the board requires. Mr. Dobberstein stated he recommends zoning the area in the southeast general aviation area where the Fargo Air, Inc. fueling tank is located and require that all private tanks be located there and the Authority could decide that they require underground tanks.

Mr. Arens stated if the area were properly zoned he would not object to above ground tanks but he would recommend underground tanks.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated they were involved in the Fargo Jet Center fuel farm and that area was designed with expansion in mind. Mr. Schon asked Mr. Arens if he feels this area is large enough to run underground piping to a dispenser at a safe distance from the bulk storage.

Mr. Arens stated he recalls reviewing the plans for that fuel farm area and recalls that there were plans for a dispensing system at a future date.

Gen. Macdonald stated he feels we need to do three things:

- 1) Find an area compatible for above ground storage and make that available for users.
- 2) Develop a written policy on underground tanks.
- 3) Allow users to choose either above ground or underground tanks as long as they meet requirements.

Mr. Pawluk stated he feels it is always a good idea to give people options, however, are we suggesting that anyone who wants to install a tank may do so.

Gen. Macdonald stated he cannot imagine many people will spend the amount of money required to meet all specifications for a fuel tank if they use only a small amount of fuel each year.

Chairman Myers stated we have heard the opinions of all the members and he feels this matter should now be turned back to the Director for a recommendation. He stated he feels the board has given sufficient input from the board for the Director to make a recommendation.

Mr. Pawluk stated he agrees we need to establish a policy for fuel tanks but right now Dr. Nagle is asking for action on this matter. He stated he feels we should act on this matter now and work on the development of a policy.

Gen. Macdonald moved the Airport Authority allow Dr. Nagle to install an underground tank, subject to meeting all safety requirements, enter into the required land lease and be responsible for flowage fees.

Second by Mr. Pawluk.

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

Absent and not voting: Jordan

The motion was declared carried.

Discussed Airport Departure Lounge Operations:

Mr. Dobberstein stated at the last meeting he was directed to communicate with Northwest Airlines regarding the security checkpoint and our concern that the check point is closed too often, which is not proper service to the public using the facility. He stated the Authority is looking for the gate to be open more and Mr. Roe's response was that due to budgetary reasons Northwest is looking at reducing the time the gate is open. Mr. Dobberstein stated Mr. Scott Roe, Northwest Airlines station manager, and Cathy Okke, ITS Supervisor, are both present.

Mr. Pawluk asked Mr. Roe where Northwest Airlines would like to see their customers wait for the flights.

Discussed Airport Departure Lounge Operations: (Continued)

Mr. Roe stated they would certainly like the passengers to be waiting in the gate area in advance of boarding for the flights. He added that you don't see the security checkpoint closed

at times that would hinder their operation. He stated that at some airports meeters and greeters (non ticketed individuals) are not allowed in the departure lounge.

Chairman Myers stated his concern when the gates are closed is that no passengers are inside of the gates while they are closed and no security personnel are attending the gate.

Mr. Roe stated that no longer happens.

Chairman Myers stated another thing that bothers him is having people waiting by the bathrooms. He stated he feels this is not being sensitive to the public. He asked Mr. Roe and Mr. Steve Dahl (United) what they feel we can do to make this airport as customer friendly as we possibly can.

Mr. Dahl stated if a passenger is dropped off at the airport two hours before a flight leaves and they are not able to wait in the secured area the entire time he stated he does not feel we have done a disservice to that passenger. He stated he feels that having the gate closed at periods during the day offers the restaurant and giftshop more opportunity to enhance revenue.

Mr. Pawluk stated the departure lounge is full of seating and maybe the solution is to move both airlines to one end of the departure lounge and relocate the gate.

Ms. Cathy Okke, Security Supervisor, was recognized and stated that the Airport Authority wants the gate open longer, the airlines want it open less, and they are caught in the middle. She stated that one solution would be during low activity times to have only one security person at the checkpoint but then they are able to screen only one person at a time and the exit lane would have to be closed off. She stated this is a possibility but would have to be approved by the FAA.

Mr. Dobberstein stated that last week Northwest has a delayed flight and we received some comments from people that the gate was closed. He stated the security people opened the gate and only two people entered in 35 minutes so there seems to be extremes.

Chairman Myers stated right now we are discussing some options to make modifications to the restaurant and snack bar area to make more open seating available. He stated it is not his intention to manage the airlines or the security checkpoint. Chairman Myers stated the airport is the first impression of Fargo many people get and we want to be sensitive to customer service.

Chairman Myers stated this is not just a security issue and those costs. He stated the Airport Authority is trying to communicate with Northwest Airlines that if they lower their fares out of Fargo they will increase passenger boardings and lower cost of operation per passenger.

Mr. Roe stated he agrees and added that he feels we are headed in the right direction.

Mr. Pawluk suggested that when the airlines have passengers checking in quite a while before their flights that the agents advise them that the departure lounge is closed at that time so they know what to expect. He stated he has found that if people know what to expect they handle adverse situations better.

Gen. Macdonald suggested a sign be posted at the checkpoint when it is closed advising what time it will open that way people will know how long they have to wait.

Mr. Jim Sweeney stated as a business traveler whenever he has 30 minutes to wait in an airport he looks for an area where he can get some work done, such as a cubicle with a telephone and modem line.

Mr. Roe stated he will look into Northwest Airlines installing a subservice World Perks Club.

Chairman Myers indicated this discussion will be ongoing and we will look further into some improvements in the area of customer service and waiting areas.

Received Communication from J.P. Development Requesting Approval of a Ground Lease for the Construction of an Aircraft Hangar:

Mr. Dobberstein stated J.P. Development is requesting the approval of a ground lease for the construction of a 140' x 171' hangar, which will be attached to the existing hangar. They are requesting a 20 year lease with an option to extend the lease for a five year period thereafter.

Mr. Dobberstein stated this ground lease is almost identical to that just completed with Valley Aviation. He stated the buffer areas along the north and the east are not subject to the ground lease but the lessor is required to maintain them.

Gen. Macdonald stated he would like to see the leases on these two facilities have the same dates, even if it means extending the original lease.

Gen. Macdonald moved to approve the lease requested by J.P. Development, subject to the satisfaction of all requirements.

Second by Mr. Pawluk.

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

Continued South General Aviation Area Planning Discussion:

Mr. Dobberstein indicated the Airport Authority has had ongoing preliminary discussions on plans for the south general aviation area and today's discussion will be a continuation of that discussion. He stated at the September 30 meeting he presented the board with his ideas for the southeast general aviation area and his basic ideas have not changed. He stated since that time he has reviewed previous plans for that area and proposed development which supported the FAA's participation in extending the taxiway to the east. He stated one of the proposals was for a large hangar/classroom facility in the southeast corner. He also explained that part of the reason the FAA participated in the rehabilitation of Runway 13/31 was our assurance that the southeast area would continue to be used for aviation purposes.

Mr. Dobberstein stated he, Darren Anderson and Wes Schon have come up with some plans for possibilities in the area.

Chairman Myers stated he feels there is a lot of wasted space in the southeast general aviation area and would like to see some of that waste eliminated.

Gen. Macdonald stated he would like to see us do some planning for that area disregarding anything that is there now. Design the area as if we were starting with vacant ground.

Gen. Macdonald asked if there would be enough interest in the general aviation community for private hangars (hangars) and if the Authority constructed these buildings would we be able to lease them out. He stated he feels if the Authority constructed a 12 unit T hangar for lease he feels that would be a dramatic statement to the general aviation community that the Authority is committed to general aviation and that the southeast area would continue to serve general aviation.

Mr. Dobberstein stated he calculated the appraised value of all of the buildings in the southeast general aviation area which are not owned by the Airport Authority and he came up with a total of \$1,090,000. He stated he also calculated the annual revenue to the Airport Authority generated from the southeast general aviation, not including the Eastside Terminal, and came up with a figure of \$75,900 per year.

General Macdonald stated he wants to know how we can get the small aircraft owner to return to Fargo without being in competition with our FBO's for hangar rental.

Mr. Dobberstein stated as far as subsidizing general aviation and offering low cost hangar space, we have to be careful that we are not offering something at below fair market value. He stated since the FAA participated in the purchase of land as well as improvements we are required to offer the space/land at fair market value and not below.

Continued South General Aviation Area Planning Discussion: (Continued)

Mr. Pawluk stated currently at the airport in West Fargo a hangar owner pays \$250 a year for ground rental and the individual builds their own hangar. He stated their available space is almost all taken. He stated West Fargo has done a good job of attracting airplanes to their field where we have not really attracted any new aircraft to this field. He stated part of the solution would be to create the demand and some marketing efforts geared for the small aircraft owner may help. He stated he does not know that it is our place to build hangars and lease them at a low cost. He stated he feels if we can generate some demand for the space an aircraft owner would probably be interested in building their own hangar. He stated the difference in the cost for the land lease between Fargo and West Fargo (\$400 vs. \$250) is not enough for someone to choose West Fargo instead.

Gen. Macdonald asked what the board would think about contacting all aircraft owners within a 100 mile radius and inviting them to an open house showing what Hector Airport has to offer to the general aviation pilot and show them the advantages of locating here.

Mr. Pawluk stated he feels that is a great idea and he would even like to see a semi annual or quarterly newsletter. He stated the names of pilots are easily available and all we need is a little marketing. He stated he also feels we should set a goal or target of how many new aircraft we see on the field and a method to achieve that.

Gen. Macdonald moved the Executive Director be instructed to communicate with pilots and/or aircraft owners within a 50 mile radius of Fargo Moorhead on the future of the airport and its interest in general aviation, and host a meeting with those individuals at some time in the next 90 days, and that a continuing dialogue be established.

Second by Mr. Pawluk.

Mr. Pawluk stated he feels this is the start of a marketing plan and concept that should get results.

Chairman Myers stated we could tie the event in with an FAA safety presentation or seminar.

Gen. Macdonald stated a lot of general aviation pilots are afraid of operating on an airport with a tower and we need to portray to them that it is easier and safer to operate on an airport with controllers. He stated they could meet and talk with some controllers and once they have operated with a tower they will understand that.

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

Received Update on Airport Construction Projects:

Mr. Dobberstein stated he and Attorney Stewart have a conference call at noon today with the attorney for Midwest Development and Construction regarding final details on the ground lease for the Airborne Facility. He stated he is fairly confident that all of the details have been worked out.

Mr. Dobberstein stated NSP has been in the north general aviation area extending gas and electric service to Valley Aviation for their new building but are reluctant to extend service to the air cargo area until MDC has entered into a lease. He stated things are moving along on the project although they are slower than he had hoped and the reason for that seems to be the number of people involved and conflicting schedules. He stated it is the intention of MDC to get in the ground yet this year and have arranged for some soil samples to be taken.

Mr. Wes Schon, Ulteig Engineers, was recognized and reported that they have decided to wait on lighting and signage in the cargo apron area until spring. He stated in the north general aviation area the footings are in for the high mast lighting.

Adopted Resolution of Appreciation to Millie Macleod:

Gen. Macdonald stated he has had the privilege of serving on the board during Millie Macleod's tenure and offered the following resolution and moved its adoption:

WHEREAS, Mrs. Millie MacLeod has served since 1979 as a liaison representative to the Municipal Airport Authority of the City of Fargo, North Dakota, representing the Moorhead City Council, and

WHEREAS, Mrs. MacLeod's term as member of the Moorhead City Council comes to an end on December 31, 1997; and

WHEREAS, The Municipal Airport Authority has appreciated Mrs. MacLeod's input on behalf of the City of Moorhead over the years, and

WHEREAS, Mrs. Millie MacLeod, as a member of the Moorhead City Council, has rendered valuable and dedicated service and has given unsparingly of her time and energies to meet and exceed the requirements of her office, and we also commend her efforts in the successful accomplishment of the Moorhead Municipal Airport, and

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo, North Dakota does hereby thank and commend Mrs. MacLeod for her effective efforts and support of the Municipal Airport Authority of the City of Fargo.

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 Mrs. MacLeod.

Second by Mr. Pawluk.

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

Chairman Myers stated he would like to invite Mayor Lanning to Millie's last meeting with us at which time we could present her with a plaque commemorating her long time involvement with the Municipal Airport Authority, in addition to presenting her with this resolution.

Mr. Pawluk moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, November 25, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Walstad.

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

Time at adjournment was 11:19 a.m.

Regular Meeting

Tuesday

November 25, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 25, 1997, at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Macdonald, Myers

Absent: Jordan, Pawluk

Others: Stewart

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting Held November 10, 1997:

Mr. Walstad moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 10, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$38,509.96:

Mr. Walstad moved to approve the airport vouchers totalling \$38,509.96.

Second by Gen. Macdonald.

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

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,729.60 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Myers voted aye.

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,923.25 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Myers voted aye.

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,340.00 to Midwest Testing for payment request for quality testing services on the North General Aviation Ramp Expansion Project.

Second by Mr. Walstad.

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

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Obermiller Nelson Engineering:

Gen. Macdonald moved to approve the individual voucher in the amount of \$615.00 to Obermiller Nelson Engineering for payment request for engineering services in connection with the Westside Terminal Tug Concourse HVAC Analysis.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Myers.

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Approved Lease Extension with the National Weather Service:

Mr. Dobberstein stated he received a communication from the National Weather Service regarding the extension of the lease on their office space in the Eastside Terminal. He stated he completed and returned to them a lease offer for a three year extension for the period October 1, 1997 to September 30, 2000. He stated Mr. Lou Bennett continues to operate out of that office space as a liaison for the National Weather Service.

Gen. Macdonald moved to approve the lease extension with the National Weather Service as outlined.

Second by Mr. Walstad.

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

Continued South General Aviation Area Planning Discussion:

Mr. Dobberstein stated he, Darren Anderson, and Wes Schon have been working on some additional options for the southeast general aviation area following discussion at the last meeting.

Chairman Myers stated it has been suggested that we need to provide reasonably priced hangar space for the small aviation enthusiast in order to compete with the small general aviation airports in the area. He stated he has thought about this at some length and he is not convinced that is a valid argument for this airport. He stated it is a nice idea and to a number of people it may seem to be the thing to do. He stated the only way we may get some aircraft owners to locate in Fargo would be to subsidize general aviation and he does not feel that would be fair to the taxpayers of Fargo.

Gen. Macdonald stated he is not necessarily suggesting the Authority subsidize general aviation by building hangars and leasing them at a reasonable rate. He stated he wants to see the Airport Authority have a master plan for the southeast general aviation area in place for those people who want to build their own hangar at Hector Airport.

Continued South General Aviation Area Planning Discussion: (Continued)

Chairman Myers stated in order to attract the small aircraft owner to this airport we would probably have to see some form of subsidy and if that is what the Authority decides it is going to do we need to make that clear. He stated if that is not our intention that needs to be clear as well. He added that we need to determine our mission for that area.

Gen. Macdonald stated there is a level of aircraft owner which we will never attract. He stated once a master plan for the southeast general aviation area is adopted we will be able to handle requests from owners wishing to build their own hangars. He stated we will be able to have a definite plan to show a potential hangar owner their options on where they can build.

Mr. Schon stated once the Airport Authority has adopted a plan it must be submitted to the FAA for their review and approval so it can become part of the overall Master Plan. He stated before we could request any federal funds for improvements in that area it must be on the Master Plan.

Chairman Myers stated one of the biggest steps toward cleanup in the southeast general aviation area would be to eliminate the car rental agency facilities in that area. He stated the Airport Authority has made plans for a condominium type facility west of the terminal building at some time in the future.

Gen. Macdonald stated we need to start some serious planning for that car rental service facility.

Mr. Dobberstein stated he has had continuous dialogue with the car rental agencies regarding this facility but no formal plan has been proposed. He added some of the agencies are definitely interested, others have indicated they would not be interested.

Gen. Macdonald stated since there is no actual lease for those car rental facilities the Authority would have the option to give them notice and require the buildings be moved.

Chairman Myers stated the Airport Authority could possibly build the facility and offer it free of rent for a period of time in exchange for the vacating of their present facilities.

Mr. Schon stated as far as the plans that have been presented for the southeast area, it is the concept that is important and the size of buildings shown on the plan will not necessarily be the size of the buildings actually built.

Chairman Myers stated it has also been the Airport Authority's thinking that Hangars 3 and 4 will either be torn down or repaired.

Mr. Dobberstein stated he would not be in favor of repairing the hangars.

Chairman Myers stated as the leases on those buildings run out we need to have a plan in place.

Dr. Hamilton stated he was induced to building their new facility on the north side because of the plans for a north/south parallel runway and the proposed closure of Runway 13/31. He stated he was told by the Airport Authority that he could not build in the southeast area and he would have to build their new facility in the northeast area, and now it sounds like the Airport Authority plans to develop in the southeast general aviation area. He stated it sounds to him like a lot of the things the Airport Authority is talking about doing will be a detriment to those who have located in the north area.

Chairman Myers stated he wants to see some organization and fiscal sense made of the southeast general aviation area, as he feels it should pay for itself. He stated he is not in agreement that the Authority should subsidize general aviation.

Mr. Dobberstein stated that further developing the southeast general aviation area should increase the number of based aircraft, and with an increased number of based aircraft our position to justify the construction of a paralleled north/south runway to the FAA will be better. He added that the north general aviation area was

Continued South General Aviation Area Planning Discussion: (Continued)

not created to relocate those in the southeast area, it was developed to allow for the growth of general aviation. He stated that had we not developed to the north there would have been no place for general aviation to grow.

Chairman Myers stated the Airport Authority has taken strong steps to develop the north general aviation area and those steps have not been a detriment to those located there. He stated as a business person he feels the southeast area is a mess right now and the Airport Authority is working to do what we can to improve that area. He stated any development in the southeast area is not to compete with those on the north side.

Dr. Hamilton stated he just wants to know how this will affect the north general aviation area.

Chairman Myers indicated to Dr. Hamilton that the Authority is still in the planning stages and encouraged him to continue his involvement in the discussion.

Gen. Macdonald stated he would not be in favor of allowing an FBO to locate in the southeast general aviation area. He added that any aircraft based in Fargo brings business to the FBOs on the field. Gen. Macdonald added that he looks at the southeast general aviation area as an area that would have limited services available and be mainly for aircraft storage. He stated he does not like the idea of dictating whether a potential hangar owner has to build on the northside or the southside, he feels they should have the option of choosing either.

Chairman Myers stated he feels our long range plan should call for no fixed base operation development to be located in southeast area.

Gen. Macdonald asked if the Authority has the power to deny an interested FBO the right to locate on the airport.

Mr. Dobberstein stated our grant assurances with the FAA allow the Authority to deny another FBO if it will be a financial hardship on the existing businesses.

Gen. Macdonald stated he likes what he sees on the plans proposed today. He stated he would like some time to think about these issues and proposals for a while and then send them out to interested parties for comment.

Chairman Myers stated the reason he brought up the subject of subsidizing general aviation aircraft is because Mr. Pawluk feels strongly that we need to get more aircraft on the field. He stated is not sure how we can do this without some subsidy. Mr. Wes Schon stated airports are like other areas in the business community. He stated in the retail community not every business is able to, or wants to, locate at West Acres along with the big names and corporate structure. He stated many of the smaller retail businesses choose to locate elsewhere, such as downtown. He stated the southeast general aviation area can satisfy needs that the north area cannot. He stated for the corporate image you cannot beat the north area with its high visibility. He stated for the smaller aircraft owner who is not concerned about visibility or image the southeast area is able to meet those needs.

Chairman Myers stated he would like to know if it is part of the Airport Authority's mission to attract aircraft owners from other airports. He stated the costs involved with building the new hangars on the north side of the airport are reflected in the monthly rent to a tenant and we don't seem to see them flocking from the area smaller airports to rent those hangars. He stated the reason is that they can rent hangar space cheaper elsewhere. He asked if it is the mission of this board to attract these aircraft owners to the airport and if so, why would we as a board be involved in that attraction process. He stated if private enterprise has built T hangars and they are not being rented it is obvious further development would need some form of subsidy. He stated he is not suggesting to anyone that the Authority be that promoter.

Continued South General Aviation Area Planning Discussion: (Continued)

Gen. Macdonald asked what would be the next step. He asked if we now we should have an opportunity to cogitate over this and then adopt a plan.

Gen. Macdonald asked Attorney Stewart to prepare an opinion on the Airport Authority's obligation to continue options or extend leases.

Chairman Myers asked Mr. Dobberstein for an updated summary of leases in relation to the long range study on the southeast general aviation area. He also asked Attorney Stewart to have opinions on lease matters for the next meeting.

Discussed Adjustment of Lease Terms on North General Aviation Area:

Mr. Dobberstein stated at the last meeting the board received a request from JP Development for approval of a ground lease for their new hangar facility. He stated at that meeting the board indicated an interest in having the lease terms on the new facility and the existing facilities be the same.

Attorney Stewart stated the existing lease for JP Development is based on a 15 year term with a five year option. He stated to make the terms of the two leases the same we would have to add seven years to the original lease.

Gen. Macdonald stated he feels the Airport Authority, as the landlord, would want buildings that are attached to have coinciding lease dates.

Gen. Macdonald moved the Executive Director and Attorney be authorized to draft a composite lease for JP Development to have concurrent dates on both facilities.

Second by Mr. Walstad.

On the call of the roll, members Walstad, Macdonald, Myers voted aye

Absent and not voting: Jordan, Pawluk

The motion was declared carried.

Discussed Engineering Selection Process:

Mr. Dobberstein stated the existing engineering contract with Ulteig Engineers expires May 31, 1998. In the past we have advertised for proposals during one month and then after receiving proposals the entire board interviews the firms. He stated the existing term is three years and the FAA advisory circular allows five year terms. He stated he would plan to advertise in January and hold interviews following our first meeting in February.

Mr. Dobberstein stated as far as the interview process the FAA has guidelines and criteria we must follow in the selection process.

Mr. Walstad moved to authorize the advertising for engineering services and set the interview process for the first meeting in February.

Second by Gen. Macdonald.

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

Chairman Myers requested the voting form be sent to the members for review prior to the interviews.

Other Business:

Chairman Myers stated he was advised of a letter the Mayor received from a Fargo citizen complaining about a ticket received at the airport. Chairman Myers stated he knew this individual so he called and asked about the situation. He stated the individual had indicated he read the sign that stated "No Parking" but did not feel it applied to him as he was picking up luggage, but rather to people who tried to avoid the parking lot.

Other Business: (Continued)

Chairman Myers suggested we have a sign on the access road indicating that the "No Parking" restrictions are due to FAA security requirements.

Chairman Myers stated the Authority has placed advertisements in both the business and travel sections of The Forum indicating the parking restrictions at the airport.

Mr. Dobberstein was directed to continue working on the issue of a sign advising of the security requirements.

Mr. Dobberstein stated he has reviewed the snack bar and seating issue with Mr. Pete Haug. He stated Mr. Haug indicated he would not be in favor of moving the snack bar but we are working on some additional seating and tables in the snack bar area.

Mr. Walstad moved to adjourn the meeting until the next regular meeting of the Municipal Airport Authority held Tuesday, December 9, 1997 at 9:00 a.m. in the Airport Boardroom.

Second by Gen. Macdonald.

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

Time at adjournment was 10:31 a.m.

Regular Meeting

Tuesday

December 9, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 9, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Pawluk, Myers

Absent: Walstad, Jordan

Others: Stewart, MacLeod

Chairman Myers presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 25, 1997:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held November 25, 1997.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totalling \$60,017.30:

Mr. Pawluk moved to approve the airport vouchers totalling \$60,017.30.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$52,472.65 to Northern Improvement Company for Partial Payment Request for construction of the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$24,224.00 to Northern Improvement Company for Partial Payment Request for the construction of the North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad, Jordan

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 \$115.37 to Cass County Treasurer for 1997 special assessments for the remaining lots in the Airport First Addition.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Received Letter from the City Engineer Regarding Cass County Drain #10:

Mr. Dobberstein stated he received a communication dated November 24, 1997 from Mr. Mark Bittner, City Engineer, regarding flood mitigation projects. The City of Fargo is proposing a number of improvements to enhance flood protection and minimize flood damages along the Red River. Applications are being prepared for submission for Hazard Mitigation 404 Grants and Community Development Block Grants under the provisions of the Presidential Declaration FEMA 1174 DR ND dated April 7, 1997. One of the projects is airport flood protection on 40th Avenue NW at Cass County Drain No. 10.

Mr. Dobberstein stated that during the flood the airport did experience some water backed up from County Drain 10, surrounding the North Dakota Armed Forces Reserve Center. He stated he and Mr. Wes Schon, Ulteig Engineers, have met with Mr. Bittner, representatives of Southeast Cass Water Board, along with other entities involved, and expressed the idea that a flood control structure be in place at County Drain 10 to help alleviate this problem in the future. Mr. Dobberstein stated he has drafted a letter of support to Mr. Bittner as well as solicited comments from Brigadier General Ronald Gangness.

Mr. Dobberstein stated if for some reason this application for funds would not be approved we do have this on our Capital Improvement Program.

Mr. Wes Schon, Ulteig Engineers, was recognized and stated there is no guarantee the airport will get this funding so that is why it is on the Capital Improvement Program as well.

Chairman Myers suggested checking with the Armed Forces Reserve people to see if any funding would be available or if they had any surplus equipment available, as the lift station is a major part of the cost.

Mr. Pawluk moved to receive and file the communication from the City Engineer.

Second by Gen. Macdonald.

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

Presentation to Millie MacLeod:

Chairman Myers welcomed Fargo Mayor Bruce Furness and Moorhead Mayor Morris Lanning to the Authority's meeting today in recognition of the involvement of Millie MacLeod over the past years. Mr. Dobberstein read a resolution of appreciation adopted by the Municipal Airport Authority at its meeting on November 10, 1997.

Mayors Furness and Lanning both gave some words of appreciation to Millie MacLeod. Mayor Furness presented Millie MacLeod with a plaque from the Fargo Airport Authority. Mayor Lanning indicated a member of the Moorhead City Council will be designated to take Millie's place of representation to the Fargo Airport Authority.

Received Communication from Ulteig Engineers Regarding Engineering Contract Amendment:

Mr. Dobberstein received a communication dated December 5, 1997 from Mr. Wes Schon, Ulteig Engineers, proposing an amendment to the engineering contract for FAA

Received Communication from Ulteig Engineers Regarding Engineering Contract Amendment:
(Continued)

project No. 3 38 0017 20, Air Cargo Apron and Access Road. The Air Cargo Apron project is 90% complete and the remaining items will be completed in early 1998. It has been determined that there will be money remaining in the engineering contract with Ulteig Engineers and they are proposing to add additional engineering work to the contract at no additional cost. Ulteig is proposing the amendment include the following items:

Prepare the Environmental Assessment for the extension of Runway 8/26, County Drain 10 crossing, 31st Street realignment evaluation, and the flood control structure (previously authorized).

Prepare plans and specifications for relocation of the rotating beacon, storm drainage rehabilitation along Taxiway A, A4 and the east general aviation apron.

Prepare the evaluation and plans for rehabilitating the existing portion of 31st Street that was damaged by flooding in April of this year.

Mr. Schon explained that adding these items to the contract will not result in any increased cost to the Authority.

Chairman Myers stated the Authority will soon be entering into a new term for our engineering contract and asked if these items will take work out of that contract.

Mr. Dobberstein stated that is not the case. Mr. Dobberstein stated the board has already authorized the environmental assessment and the 31st Street Evaluation for rehabilitation. Mr. Dobberstein stated the Authority has committed most of its 1998 entitlement funds to the air cargo apron but we will have approximately \$104,000 remaining which will go toward the relocation of the rotating beacon, storm drainage rehabilitation along Taxiway A, A4 and the east general aviation apron, all of which were noted on our FAA airport certification inspection.

Mr. Dobberstein recommended the board proceed with the amendment of the engineering agreement to include these projects.

Mr. Pawluk moved to authorize the amendment to the engineering agreement as presented.

Second by Gen. Macdonald.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Authorized Preparation of Plans and Specifications for the Relocation of Rotating Beacon and Storm Drainage Rehabilitation Along Taxiway A, A4, and the South General Aviation Apron:

Mr. Dobberstein stated this is the next step in the process for the relocation of the rotating beacon and storm drainage rehabilitation along Taxiway A, A4, and the south general aviation apron. He stated once the airport beacon has been relocated the airport will be able to tear down the old tower structure on the Eastside Terminal. He stated once plans and specifications have been prepared they will be presented to the board for approval. Mr. Dobberstein recommended the board authorize the preparation of these plans and specifications.

Authorized Preparation of Plans and Specifications for the Relocation of Rotating Beacon and Storm Drainage Rehabilitation Along Taxiway A, A4, and the South General Aviation Apron:
(Continued)

Gen. Macdonald moved to authorize the preparation of plans and specifications for the relocation of the rotating beacon and storm drainage rehabilitation along Taxiway A, A4, and the south general aviation apron.

Second by Mr. Pawluk.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Received Communication from Michael J. Burns Architects:

Mr. Dobberstein stated he had requested an update of the Hangar #2 reroofing project from Michael J. Burns Architects. Mr. Dobberstein read a communication dated December 8, 1997 from Mr. Mark Gradin, Michael J. Burns Architects, advising that they have tried to locate a local testing lab to perform some pullout tests under the existing conditions on Hangar 2, but the closest facility appears to be in the Minneapolis area. However, after consulting with two other roofing manufacturer representatives we were given a verbal approval that the 100 mph can be met regardless of the pullout capacities.

Chairman Myers asked how the 100 mph requirement got into the specifications for this project. He stated in his 36 years in the construction business he has never run into this. He stated this has been a big hang up on this project and has nothing to do with an insurance requirement. He stated the 90 UL rated roof is what should be required. He stated the 100 mph requirement does not mean anything and does not warrant being in the specifications. Chairman Myers stated the problem the roofer was running into with pullout when they started the project was that they were using the wrong type of screw. They were using a screw designed for metal not wood.

Mr. Pawluk moved to receive and file the communication from Michael Burns Architects.

Second by Gen. Macdonald.

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

Discussed Salary for Executive Director:

Chairman Myers stated that when the Airport Authority hired Mr. Dobberstein as Executive Director we determined that he should be placed in DBM Rating D63 Step 3. This was approved by the Airport Authority and sent on to the City Commission for their ratification. The City Commission did not support this move and their reasoning was that an employee being promoted should not receive more than a three percent increase in salary.

Chairman Myers stated after discussing the matter over these months with the members of the Airport Authority as well as Mayor Furness, members of the City Commission have now indicated they misinterpreted the guidelines on the three percent and that was not a limit but rather the three percent increase was a minimum.

Chairman Myers stated he would like to see the Authority take action on this matter today and that any change be effective the anniversary date of January 9, 1998. Gen. Macdonald stated when the Airport Authority hired Mr. Dobberstein on January 9, 1998, we proposed a salary at D63 Step 3 and as Mr. Myers indicated the City Commission's misinterpretation of the rules has been acknowledged and that they are now willing to rectify the matter. Gen. Macdonald stated he proposes that on Mr. Dobberstein's anniversary date of January 9, 1998 he be placed in Step 4 of Grade D63.

Discussed Salary for Executive Director: (Continued)

He stated this does not fully rectify the matter as Mr. Dobberstein has been working in Step 1 for one year when he should have been in Step 3.

Gen. Macdonald moved the Airport Authority indicate to the City Commission its desire to place Mr. Dobberstein in DBM Rating D63, Step 4, effective his anniversary date of January 9, 1998.

Second by Mr. Pawluk.

Mr. Pawluk asked if we are going to run into the same roadblock we did before.

Chairman Myers stated at this time we do not know but he has discussed this with Mayor Furness and he has indicated he will support the request. Chairman Myers stated an important issue to remember in the discussion of this matter is that this position is funded with the airport's revenue, not City of Fargo funds. He added that Mr. Dobberstein has done an excellent job in this position and D63, Step 4 is where he should be at this time.

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

Absent and not voting: Walstad, Jordan

The motion was declared carried.

Chairman Myers stated he would prepare a letter to Mayor Furness with this request.

Elected Gen. Alexander Macdonald Chairman of the Municipal Airport Authority for Calendar Year 1998, As Per Bylaws:

Chairman Myers stated he was going to be available for only the first meeting of each month for the months of January through March and suggested the board elect new officers at this meeting.

Mr. Myers relinquished the chair to Gen. Macdonald.

Mr. Myers moved to elect Gen. Alexander Macdonald Chairman of the Municipal Airport Authority for calendar year 1998, as per bylaws.

Second by Mr. Pawluk.

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

(Term will officially begin following the annual meeting January 27, 1998.)

Elected Mr. Ken Pawluk Vice Chairman of the Municipal Airport Authority for Calendar Year 1998, As Per Bylaws:

Mr. Myers moved to elect Mr. Ken Pawluk Vice Chairman of the Municipal Airport Authority for calendar year 1998, as per bylaws.

Second by Mr. Pawluk.

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

(Term will officially begin following the annual meeting January 27, 1998.)

Gen. Macdonald relinquished the chair to Mr. Myers.

Other Business:

Gen. Macdonald recommended the Authority invite the new manager of the FAA Flight Standards District Office to our next meeting so that we may welcome him to Fargo.

Mr. Dobberstein indicated he would write a letter of invitation to Mr. Charles Winkenwerder.

Mrs. Macleod stated she recently attended a conference on city government in Philadelphia and one of the sessions she attended was on airports. She stated that Fargo is not the only city having trouble with airlines with a monopoly in their city. She stated it was suggested that cities encourage regional carriers and many cities have been successful in getting the attention of larger carriers.

Gen. Macdonald moved to adjourn the meeting of the Municipal Airport Authority until the next regular meeting to be held Tuesday, December 23, 1997 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 10:08 a.m.

Regular Meeting

Tuesday

December 23, 1997

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 23, 1997 at 9:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Walstad, Pawluk, Macdonald

Absent: Jordan, Myers

Others: Stewart

Vice Chairman Macdonald was presiding.

Approved the Airport Vouchers Totalling \$35,284.32:

Mr. Pawluk moved to approve the airport vouchers totalling \$35,284.32.

Second by Mr. Walstad.

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

Absent and not voting: Jordan, Myers

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Walstad moved to approve the individual voucher in the amount of \$3,124.97 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the North General Aviation Ramp Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Jordan, Myers

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Walstad moved to approve the individual voucher in the amount of \$6,020.00 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron and Access Road Project, AIP No. 3 38 0017 20.

Second by Mr. Pawluk.

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

Absent and not voting: Jordan, Myers

The motion was declared carried.

Received Communication from the Fargo Fire Department Regarding Annual Inspection:

Mr. Dobberstein stated on December 8, 1997, the Fargo Fire Department made its annual inspection of the two terminal buildings and the maintenance shop. He stated the items noted in the report have been corrected or are scheduled to be handled.

Mr. Pawluk moved to receive and file the communication from the Fargo Fire Department.

Second by Mr. Walstad.

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

Discussed Renewal of Airport Liability Insurance Policy:

Mr. Dobberstein stated our loss control consultant, Sedgwick Aviation, has successfully marketed our airport liability insurance with various aviation insurance markets and provided us with a renewal report. Quotes were received from Empire Fire and Marine through American Eagle, Great American, Phoenix Aviation Managers and AIG Aviation.

Mr. Dobberstein stated he and Mr. Kent Costin, the City's Finance Coordinator, reviewed this with Tracie Harris, Sedgwick, and they felt it was in the airport's best interest to renew our policy with Great American at a renewal premium of \$61,132.54 for calendar year 1998. Mr. Dobberstein stated this is a slight decrease (approximately 7%) over last year's premium. Mr. Dobberstein stated because of the late date we need to advise Sedgwick of our decision tomorrow.

Mr. Walstad moved to accept the recommendation of the Executive Director to renew the airport liability insurance coverage with Great American.

Motion failed for lack of a second.

Mr. Pawluk asked for some clarification on the areas in which the low bidder, AIG Aviation, is short and if coverage for those exposures could be purchase separately. The consultant's summary showed AIG provided no coverage for Contingent Control Tower Liability (no direct operation of the tower) and no coverage for Fellow Employee Suits. AIG also did not quote Medical Expenses coverage.

Vice Chairman Macdonald referred to the consultant's summary on AIG:

"AIG Aviation has provided an unarguably fantastic reduction, but did so after offering an indication excess of \$62,000 last year. To be truthful, AIG does have a history of inconsistent price leading to large drops and rises in premium for insureds. If you can live with the coverage reductions and are prepared to move again in the next 1 3 years should premium conditions warrant, AIG should be strongly considered."

Vice Chairman Macdonald stated he was disappointed that Tracie Harris did not have a more definite recommendation in her summary. He stated if we had more time he would have liked to go back to Sedgwick and ask for a more definite recommendation.

Mr. Walstad moved the Airport Authority, in light of time restraints, accept the proposal from Great American for the airport liability coverage for calendar year 1998.

Second by Mr. Pawluk.

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

Absent and not voting: Myers, Jordan

The motion was declared carried.

Discussed Airport Perimeter Road/Service Vehicle Access Road:

Mr. Dobberstein stated the subject of a perimeter road/service vehicle access road, has been discussed from time to time in relation to vehicle/aircraft safety on the airfield. He stated whenever a vehicle crosses a runway without proper

Discussed Airport Perimeter Road/Service Vehicle Access Road: (Continued)

authorization from the control tower the incident is written up as a vehicle deviation or runway incursion. He stated we have had a few of those in the past year and two incidents just in the past couple months. He stated in each incident we have to demonstrate to the FAA that we have taken a proactive approach to try and prevent these incidents. He stated these deviations/incursions have involved all types of vehicles (FBOs, fuel trucks, military vehicles, etc.) He stated considerable consideration has been given to alternate routes for service vehicles. He stated plans have been drawn for possible routes for service vehicles to get from one area of the airport to another without crossing the runways/taxiways.

Mr. Wes Schon, Ulteig Engineers, stated in 1992 a construction road was built for use during the construction of Runway 8/26 and Taxiway C. He stated that road is still in place and it could easily be paved for use as a service road. He stated it is his understanding that many of the operators' vehicles are not licensed or insured to go on public roads. He added that most air carrier airports with multiple runways have vehicle access roads to separate vehicle and aircraft traffic.

Mr. Pawluk asked what priority the FAA assigns to this type of project.

Mr. Schon stated he visited the FAA Airports District Office in Bismarck yesterday. He stated if the airport continues to have problems with incursions he is sure the FAA will want the road construction but whether or not they are going to come up with any discretionary money to fund it is another matter. Mr. Schon stated preliminary estimates on three miles of road (15' wide) would be approximately \$500,000 to \$600,000. Mr. Schon stated the FAA has directed Mr. Dobberstein to explore the possibility of this project. He stated the FAA safety people do communicate with the Airports District Office in Bismarck and may move it up on a priority list.

Mr. Pawluk stated he can certainly see a need for this road but would rather see the money spent on the extension of Runway 8/26 or expansion of the air cargo area. He stated, however, he would suggest getting a plan on paper for consideration.

Mr. Pawluk moved the Authority direct Mr. Dobberstein and Mr. Schon to develop a preliminary plan for a complete perimeter road.

Second by Mr. Walstad.

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

Mr. Pawluk added that he would strongly advise and recommend more emphasis on training.

Authorized Attendance at the Regional Air Service Meeting, Denver, CO, February 4 6, 1998:

Mr. Dobberstein stated the members were provided information on a workshop on "The Future of Regional Air Service", sponsored by The Boyd Group/ASRC, Inc. He stated he is planning to attend along with Gen. Macdonald.

Mr. Walstad moved Mr. Dobberstein and Gen. Macdonald be authorized to attend the Regional Air Service Meeting in Denver, CO, February 4 6, 1998.

Second by Mr. Pawluk.

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

Absent and not voting: Myers, Jordan

The motion was declared carried.

Reviewed Preliminary Guidelines for Airport Fuel Tank Installation Proposals:

Mr. Dobberstein stated a few meetings ago he was directed by the Airport Authority to prepare some preliminary guidelines for airport fuel tank installations. He stated he consulted with Mr. John Arens, Fargo Fire Inspector, Mr. Jim Schafer, R&R Petroleum, as well as reviewed state requirements.

Mr. Dobberstein these guidelines are preliminary and most of the items are already required by the state. He stated the City of Fargo has adopted the Uniform Fire Code and is adamant about compliance with this code.

Mr. Pawluk stated he feels these guidelines are a good idea but asked if they would cause any hardship for owners of existing tanks on the field.

Mr. Dobberstein stated the location of the Fargo Air and ABHN Partnership tanks were never intended to be permanent locations for those tanks but the Fire Department agreed to them on a temporary basis.

Mr. Preston North, ABHN Partnership, stated it was their understanding when they built their hangar that they would be allowed to have a fuel tank as well.

Mr. Dobberstein referred to a letter from the Fargo Fire Department dated April 26, 1988, to Mr. Preston North, stating that the present location "is an acceptable temporary alternative." Mr. Dobberstein stated the Fire Department has always had a concern about the location and the dike around tank.

Vice Chairman Macdonald suggested we send these guidelines to tank owners on the field for their review over a 30 day period and receive their comments at the first meeting in February.

Mr. North stated he has some concerns and would appreciate the opportunity to put them in writing.

Mr. Pawluk stated it would appear that both tank owners are in compliance with the regulations. The only problem is the location of ABHN's tank is considered temporary by the Fire Department.

Adopted Resolution of Appreciation to Employees of the Municipal Airport Authority:

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

WHEREAS, The Municipal Airport Authority of the City of Fargo, has just completed calendar year 1997, which presented us with a record number of blizzards and snowfall of 117 inches during the winter of 1996 1997, and a prodigious spring flood, and

WHEREAS, the staff of the Municipal Airport Authority met and exceeded all expectations to ensure the continued and safe operation of Hector International Airport by maintaining the buildings, roadways and airfield, often under adverse conditions, and

WHEREAS, the employees of the Municipal Airport Authority deserve the thanks and recognition from the airport community as well as the citizens of Fargo for a job well done.

NOW, THEREFORE, BE IT RESOLVED, that the members of the Municipal Airport Authority do hereby express their gratitude to the employees of the Municipal Airport Authority for a job well done and look forward to continued efforts toward the success of Hector International Airport.

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 each employee of the Municipal Airport Authority.

Second by Mr. Pawluk.

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 Tuesday, January 13, 1998, at 9:00 a.m. in the Airport Boardroom.

Second by Mr. Walstad.

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

Time at adjournment was 10:26 a.m.