

Annual Meeting

Tuesday

January 9, 2001

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 9, 2001, at 8:00 a.m. in the Airport Boardroom.

The member present or absent were as follows:

Present: Kilander, Anderson, Clark, Macdonald, Pawluk

Absent: None

Others: Stewart

Chairman Pawluk presiding.

Approved the Minutes of the Regular Meeting Held December 9, 2000:

The minutes of the regular meeting of the Municipal Airport Authority held December 9, 2000, were approved without objection.

Approved the Airport Vouchers Totalling:

Mr. Anderson moved to approve the airport vouchers totalling \$19,408.00.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Approved the Individual Voucher to Weatherman, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,500.00 to Weatherman, Inc., for payment request for asbestos abatement, Eastside Terminal Boiler Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk 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 \$1,139.81 to Foss Associates for payment request for architectural services in connection with the Westside Terminal Business Center.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Approved the Individual Voucher to Olaf Anderson & Son:

Gen. Macdonald moved to approve the individual voucher in the amount of \$128,349.49 to Olaf Anderson & Son for payment request for construction of south general aviation hangar project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Macdonald and Pawluk voted aye.

Mr. Anderson abstained.

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

Approved the Individual Voucher to Olaf Anderson & Son:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,864.23 to Olaf Anderson & Sons for payment request for solid removal (landfill) in connection with the southeast general aviation area hangar project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Macdonald and Pawluk voted aye.

Mr. Anderson abstained.

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

Approved the Individual Voucher to Hanson Design:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,490.00 to Hanson Design for partial payment request for airport landscape assessment.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Approved the Individual Voucher to Meinecke Johnson:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,505.00 to Meinecke Johnson for partial payment request #3 (Final) for the Westside Terminal Restroom Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,908.00 to Flint Communications for partial payment request for airport marketing program.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Approved the Individual Voucher to Sherwin Industries:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,765.00 to Sherwin Industries for the purchase of a runway friction tester.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk 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 \$11,675.83 to Ulteig Engineers, Inc. for engineering services in connection with the Airport Perimeter Road, 8/26, Project 3 38 0017 24.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk 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 \$527.36 to Ulteig Engineers, Inc. for partial payment request for professional services in connection with the Airport Master Plan Update.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk 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 \$960.00 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with PFC Application No. 3.

Second by Mr. Kilander.

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

Approved the Individual Voucher to Marsh:

Gen. Macdonald moved to approve the individual voucher in the amount of \$48,750.00 to Marsh for 2001 airport liability policy premium.

Second by Mr. Kilander.

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

Approved the Individual Voucher to T.L. Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,715.66 to T.L. Stroh Architects for partial payment request No. 9 for architectural services for the southeast general aviation area hangar project.

Second by Mr. Kilander.

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

Received Update on Car Rental Service Facility:

Mr. Dobberstein stated he and Attorney Stewart had a conference call with attorney representing the car rental agencies, George Reilly, the last part of December and negotiated some different items in the ground lease that they wanted changed in the concession lease. He stated we forwarded the draft leases to them but we have not heard back from them.

Considered Purchase Offer for the Airport First Addition Property (Goldmark):

Mr. Jim Buus, Goldmark, was recognized and introduced his associate, Dave Wadholm. Mr. Buus stated he has a signed purchase agreement on the parcel in the Airport First Addition for a price of \$150,000. He stated the buyer is proposing a use that will meet all of the zoning and covenants in place. He stated the proposed use is mini storage units.

Mr. Dobberstein stated we, as the seller, would be responsible for the Phase I Environmental Assessment on the property and he has received two proposals for that.

Mr. Anderson moved the Airport Authority accept the offer presented by Goldmark Corporation. Second by Dr. Clark.

Gen. Macdonald asked if the buyer will be required to bring the building plans before the board for final approval. Mr. Buus stated if that is what the board wants then it should be in writing.

Gen. Macdonald stated it was his understanding that was in the restrictive covenants.

Mr. Wadholm indicated these would be basic mini storage units and the design for those does not vary much.

Gen. Macdonald stated he feels the color of the buildings would be even more important than the design.

Mr. Wadholm stated the buyer is planning a tan color with dark green trim.

Chairman Pawluk stated he does not feel it is our place to have a say in that, as long as it is not on the airport.

Attorney Stewart stated it has just been a matter of practice, especially for those properties along University Drive.

Chairman Pawluk called for a vote on the motion.

Mr. Kilander asked for clarification on whether or not that is approving the contract as it is written or with the board's approval on the building.

Mr. Dobberstein stated they would have to meet the restrictive covenants in place.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

The motion was declared carried.

Continued Discussion with Flint Communications Regarding 2001 Marketing Program:

Christy McLachlan, Flint Communications, was recognized and introduced Chris Hagen, who is their public relations person.

Ms. McLachlan distributed information on ads and radio ad lib spots. She stated our new ads will show the website address and encourage people to consult that for flight information. She added that we have seen rate increases for radio ads.

Ms. Hagen stated that following the board's last meeting, Ms. McLachlan reported that the Airport Authority was discussing the concept of public relations and creating an awareness of the convenience of flying out of Hector Airport. She stated the definition of public relations is, a management function that identifies, establishes, and maintains a mutually beneficial relationship between an organization and the various publics on whom your success or failure depends. She stated because of the size of the market, it is their recommendation that the Airport integrate its public relations component with the rest of its communication.

Ms. Hagen stated she would recommend that the Airport Authority not create a separate budget for public relations but instead look at different situations, events and projects and always look at the public relations component. Ms. Hagen stated Mr. Dobberstein has indicated some of the opportunities available with the 70th Anniversary of the airport.

Continued Discussion with Flint Communications Regarding 2001 Marketing Program:  
(Continued)

Chairman Pawluk stated we have had some marketable public relations situations here even in the last 30 days and he feels we have dealt with some of them. He stated if he was selling advertising he would want to be marketing the public relations victories and possibilities that we have experienced here, not the least of which was the record passenger boardings or the fact that AVNET has just identified Hector International Airport as one of the top 100 most important airports in the United States. He stated these events have the ability to generate advertising that money can't buy, namely news stories.

Ms. Hagen stated she feels their best role would be as counselors behind the scene. She stated Mr. Dobberstein is a wonderful spokesperson for the airport and that would not change. She stated when the airport contacts the media to cover a story they will look at the story first and ask is it newsworthy or is the airport just trying to get some free advertising.

Gen. Macdonald stated he was enthralled with AVNET's list of the top 100 airports in the country, not necessarily by who was on that list, but by who was not on that list.

Chairman Pawluk stated he is looking for more of what can happen that is not already happening. He stated perhaps with the effective spokesman we have in Mr. Dobberstein and his ability to get the message out with the press releases maybe we don't need to spend our advertising dollars on public relations.

Chairman Pawluk stated last year we had a directive from the board to send out an airport newsletter to the vendors and users of the airport. He stated we have never disseminated any information to those people as far as he knows, except those people who have requested meeting agendas. He stated since we don't have the staff time to put together a newsletter maybe this would be an effective first step in public relations.

Mr. Kilander asked if Chairman Pawluk is looking at a targeted market of regular users of the airport with repeated activity.

Chairman Pawluk stated he thinks users of the airport would like to know what is happening on at the airport, and what is going to happen.

Mr. Kilander asked if there is any return on the investment as far as increased revenues to the airport.

Ms. Hagen stated this would be a situation where the recipients of that newsletter would be spokespersons for the airport.

Chairman Pawluk stated part of the funds would be put toward compiling the mailing list, which could be used for other reasons as well.

Dr. Clark stated if a newsletter is done, she feels it would be important to get feedback on whether or not it is valuable. She stated most people are inundated with so much paper we should find out if it is being read.

Chairman Pawluk stated Mr. Anderson's company, Olaf Anderson & Son, has had projects on the airport over the years and asked him if such a newsletter would be beneficial to anyone at his company.

Mr. Anderson stated administratively they would be interested in upcoming projects, etc. He stated right now the airport is working on encouraging people to fly out of Fargo rather than another airport and that is where we are spending our dollars. He stated he thinks an airport newsletter is an outstanding idea and would be beneficial to businesses on the airport as well. He stated he feels the newsletter should be geared toward the travelling public as well, as he feels that is more in line with what we would want. Mr. Anderson asked what other airports do.

Chairman Pawluk stated he is not interested in just generating an ongoing expense. He stated he is looking at helping the users of the airport become effective spokespersons for the airport because they are part of what is going on at the airport.

Continued Discussion with Flint Communications Regarding 2001 Marketing Program:  
(Continued)

Chairman Pawluk stated there is money in the budget for a newsletter and his goal for the newsletter is not necessarily the same as what he wants to see accomplished with the public relations component. He stated he would like to see Flint tie this all together. He stated he would like Flint to identify the cost to send out a newsletter in April and November. He stated two newsletters should not take all of the funding budgeted and we should have enough left to at least get started with the public relations side, which he feels is the most important.

Mr. Anderson stated they do a quarterly newsletter in their business and it costs \$11,000 per year, which goes to their customers, vendors, chamber members, etc., approximately 1,800. He stated they belong to a contractor's group which publishes the newsletter and personalizes it for Olaf Anderson & Son.

Mr. Jim Sweeney stated it is not his intention to take business away from Flint, but there must be an airport organization which could do the same. He stated he receives Olaf's newsletter and although he has never done business with them he reads the newsletter as he is interest in what is going on with Olaf Anderson and feels it is very well done

Gen. Macdonald stated part of Flint's responsibility would be to tell us who should receive the newsletter.

Chairman Pawluk asked the Flint representatives if they have enough information after today's discussion to get a feel for the direction the Authority would like to take.

Chairman Pawluk stated we will have further information for discussion at our February 13 meeting.

Discussed Project Options with NDANG Regarding the Property and Apron Adjacent to Hangar #9:

Maj. Ron Solberg, Base Civil Engineer, North Dakota Air National Guard, was recognized and stated they would like to review with the board some of the options for the property and apron adjacent to Hangar #9. He stated they are receptive to returning the ramp area back to the Airport Authority. He stated one of the questions that arises is in what condition does the Authority want that area returned. He stated they would like to know if the board wants the ramp demolished before it is returned. He stated he cannot guarantee they could get it done but they could try.

Mr. Dobberstein stated the majority of the ramp area is leased to the Guard. He stated we have tentative plans for hangars in that area, should the Guard return the property to us. He stated some of the guard buildings in that area will be demolished.

Chairman Pawluk stated since concrete is so expensive, are there any options to repair the ramp for future use.

Mr. Steve Synhorst, Ulteig Engineers, stated the most recent pavement study shows that ramp is beyond its useful life. He stated you probably would not get a return on any money spent on repairs.

Chairman Pawluk stated also we have not identified how much ramp would be needed.

Mr. Dobberstein stated if the board authorized Maj. Solberg to request demolition of the ramp the concrete would be salvaged for recycling. He stated if the Guard turns back this property to the Authority and environmental assessment would have to be done. He stated we also have to do an environmental assessment before proceeding with construction of a new hangar. He stated FEMA has indicated that rather than conduct two separate, federally funded assessments, they would partner with the Guard.

Mr. Dobberstein stated the Guard's turning back of this property brings up the matter of the acquisition of the Hector property along University Drive. He stated we made an offer and they countered with an offer which was more than we had considered.

Discussed Project Options with NDANG Regarding the Property and Apron Adjacent to Hangar #9:

Gen. Macdonald stated another option for the demolition of the ramp, if Maj. Solberg is not able to get the funding, is to have the Army Guard come in and do the demolition as a project.

Maj. Solberg stated in the interest of being a good neighbor they would rather turn the site back in a condition satisfactory to the Authority.

Gen. Macdonald stated if the NDANG is not able to get funding for demolition it would be easier for them to go to the Army Guard and request demolition assistance than for the Airport Authority.

Chairman Pawluk stated it seems the board is in agreement that we should begin the process of accepting the return of this property from the Guard.

Gen. Macdonald moved that it is the intent of the Airport Authority to recover the property in question from the North Dakota Air National Guard in a condition acceptable to the Airport Authority, including any underground contamination.

Second by Mr. Anderson.

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

Gen. Macdonald stated he feels we should make another offer to the Hectors for the property adjacent to University Drive.

Maj. Solberg stated they are attempting to obtain funding to pay the specials on this property. He stated their 1992 Master Plan showed expansion to the west. He stated the Airport Authority's new Master Plan shows expansion in that same area. Maj. Solberg stated they recognize that and now that the parcel to the east has become available they would prefer to return the west site to the Airport Authority and expand to the east.

Mr. Anderson stated it was his impression that the land owner is anxious to sell the land to avoid the pending special assessments.

Mr. Kilander stated the special assessments are so far down the road yet and when it is assessed it will be extended over a 17 year period. He stated he knows the Guard is not responsible for taxes, but Maj. Solberg indicated they would not be responsible for special assessments. He stated it has been interpreted by the courts that special assessments are not taxes.

Maj. Solberg stated all of the discussions which he has been privy to regarding this piece of land is that they would not have to pay special assessments. However, the former Adjutant General, Maj. Gen. Keith Bjerke, under our good neighbor policy, was trying to get that money for the City of Fargo, and the new Adjutant General, Mike Haugen, will continue those efforts.

Chairman Pawluk stated he feels our offer on the land has taken into consideration the impending specials, and he added that he does not feel the land is worth that much.

Mr. Kilander stated he would abstain from any vote on this issue as he is involved with the residential side of Coldwell Banker. He stated good commercial property is going for \$1.00 \$2.25 per square foot, depending on location, and those properties are also looking at anywhere from \$270 \$300 a front foot for municipal liens.

Chairman Pawluk stated if our offer was 33 cents per square foot and they countered at 80 cents, maybe we should offer 50 cents.

Mr. Anderson stated he does not feel this is prime property, as it is low and often under water when it rains. However, if the land is leased to the Guard that would not be our concern. He stated in the interest of our good neighbor relationship he would be in favor of another offer.

After further discussion, Mr. Anderson moved Mr. Dobberstein be authorized to increase our offer to the Hectors for 50 cents per square foot, with the buyer paying the specials.

Second by Gen. Macdonald.

Members Anderson, Clark, Macdonald and Pawluk voted aye.

Mr. Kilander abstained.

The motion was declared carried.

Discussed Project Options with NDANG Regarding the Property and Apron Adjacent to Hangar #9:  
(Continued)

Maj. Solberg asked for further clarification on what the board would like done with the concrete slab under Hangar #2 which was demolished.

Mr. Dobberstein stated when the hangar was demolished we left the slab in place since it was in good condition.

After discussion, it was the consensus that the decision does not need to be made at this time.

Received Update Regarding Eastside Terminal Mitigation Projects/Boiler Replacement Update:

Mr. Dobberstein stated as a result of FEMA's involvement in the flood damage last summer in the Eastside Terminal basement, FEMA has set aside the Eastside Terminal as a large project. He stated the boiler is being replaced and the new boiler arrived last week. He stated as part of FEMA's review, they set aside funds for the acquisition of a generator to operate basic necessary equipment. Mr. Dobberstein stated we have retained Ulteig Engineers (Joel Kath) and Obermiller Nelson Engineering (David Obermiller) for this project.

Mr. Joel Kath was recognized and distributed a report from Mr. Obermiller outlining the pieces of mechanical equipment that are in need of replacement.

Mr. Kath also distributed his report on a proposed generator. He stated FEMA has proposed a small gasoline driven generator in their budget, but that does not meet code because you cannot put a gasoline generator in a basement. Mr. Kath stated he is recommending a diesel generator which could be located in the basement or in a weather proof enclosure just outside the building, which is what he would prefer. Mr. Kath stated the generator will be sized to take care of the pumping equipment, surge ejectors, air compressors, the central equipment to keep the basement from flooding. He stated we then looked beyond that to keep the building from freezing which would also involve the heating portion of some rooftop air exchanging units. He stated as long as they had gone this far they also looked into adding some essential lighting.

Mr. Kath stated the estimate for a generator located in the building to handle the basic pumping equipment would be \$31,600, or \$34,100 to be located outside of the building. He stated to add the life safety and air handling equipment would be an additional \$25,300, of which only \$4,000 would be the additional generator size.

Mr. Kath stated their estimate for a full generation system, with which you would qualify for a rate reduction from Xcel, would be \$112,500. He stated the anticipated payback would be 24.5 years, so the return is not that good.

Mr. Dobberstein stated that FEMA has actually now turned this project over to North Dakota Emergency Management. He stated he will get the feelings of the board and then we will submit this to them.

Mr. Anderson stated he would like some more time to review the matter since this is the first he has seen this.

Mr. Kilander stated he feels we should look closely at the full load generator and being literally autonomous.

Chairman Pawluk stated he hates the thought of that much money but we have to look at the long range use of the building. He stated he feels the advantages to such a system will accelerate in the future.

Mr. Dobberstein stated with the increase in energy costs we will have to look at some rate increased in 2002. The FAA's lease in the building is up for renewal this year.

Mr. Kilander stated the fact that a tenant would not have to worry about an electrical loss makes the property more valuable.

Mr. Larry Miller, FAA Airway Facilities, stated he would not count on the FAA being there that long.

Received Update Regarding Eastside Terminal Mitigation Projects/Boiler Replacement Update:  
(Continued)

Mr. Kath stated he is not expecting a decision from the board today. He stated this is the initial presentation of the proposal.

Mr. Anderson asked Mr. Kath his opinion on which option the board should take.

Mr. Kath stated he feels strongly both ways. He stated with the minimal generation the board will not be spending much money and will meet the goal of flood mitigation. He stated the full generation program does not provide the best pay back, but from the standpoint of being a landlord with space to lease the benefit of the full generation would be a benefit to the tenants.

Gen. Macdonald suggested Mr. Dobberstein write to the tenants in the Eastside Terminal to see if they would be willing to have a small increase in their rent for the assurance of no interruption of electrical power. Gen. Macdonald stated if the full generation would make the property worth more then we should charge more rent.

Mr. Larry Miller, FAA, stated before the board moves ahead with this they should look at the condition of the electrical system in the building. He stated being in the business he would hesitate to put any type of modern electronic system in there without rewiring it.

Mr. Kath stated the main service has been updated and is in good condition. The remainder of the building would need to be reviewed.

Mr. Dobberstein stated he and Mr. Kath will meet with the ND Emergency Management representatives.

Established Interest Rate for North General Aviation Area Hangar Agreements (JP Development and Aviation Resources, Ltd.):

Mr. Dobberstein stated the Airport Authority funded the two hangar projects in the north general aviation area in 1994 1995. He stated for the first five years of the 20 year amortization the board selected an interest rate of 4.1%, which was the City's bond rating at the time. He stated the lease agreement shows that the rate would be adjusted at the beginning of the sixth year, which is now.

Mr. Dobberstein stated right now we are receiving approximately 6.5% on our funds in CDs. Mr. Dobberstein stated he checked with Evenson Dodge and the bond rate is currently 5.5%.

Mr. Dobberstein stated he recommended to the board members that we go with the 6.5%, but he is sensing that some of the board members would rather go with the bond rate. He stated we do need a decision today.

Mr. Kilander asked if the rate decided today would be for one year or five.

Chairman Pawluk stated he thinks what would make the most sense would be to establish a formula, put it into place, and then use that on an annual basis. That way we are not making the decision but we can agree on a formula and put that in place.

Mr. Dobberstein stated the language in the contract says that the rate can be adjusted from time to time.

Gen. Macdonald stated we are not investing money but providing money to entities on the field and it is his strong feeling that we provide the money at the same cost as we would pay to go out and borrow those funds. He stated he read the lease agreement and it was his understanding that it is tied to the bond rate.

Chairman Pawluk stated he does not want to have to negotiate this every year.

Gen. Macdonald stated at the same time it is not fair to them or us to go on a five or ten year term.

Mr. Kilander stated part of the equation we need to bear in mind as the Authority is that they are doing a lot of good for us by being on the airport and providing the services they provide.

Established Interest Rate for North General Aviation Area Hangar Agreements (JP Development and Aviation Resources, Ltd.): (Continued)

Mr. Jim Sweeney was recognized and stated they have always looked at this as an economic development issue. In 1994 they came to the board and indicated their desire to move their business to Fargo and start the development in the north general aviation area. He stated he is requesting the board keep the 4.1% in tact and let the schedule as it exists today run through, at least for five years. He stated the reason he is requesting that is they are not in the position today they had hoped to be five years ago. He stated they continue to do anything they can to make a viable business out of the Fargo Jet Center and by increasing this it will put more of a strain on them today. He stated he thinks the language is such that the board has the ability to do what they want. He stated he would like the board to continue to look at this as an economic development incentive, at least for the next five year. He stated he hopes he can come back in one year and report that things are going very well, but unfortunately that is not the case today.

Mr. Sweeney stated in addition to the 12,000 sf facility the airport owns they have constructed another 50,000 60,000 sf of facilities that are all at market rates. He stated it would be a huge benefit to have this remain at 4.1%.

Gen. Macdonald stated he would amenable to a one year extension at the present rate, and during the year meet with the Sweeneys and the Hamiltons to come up with formula and moved that the board approve a one year extension.

Second by Mr. Kilander.

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

Chairman Pawluk stated we would like to have the matter decided in October.

Reviewed 2001 Improvement Fund Cash Flow Projections:

Mr. Dobberstein distributed a projection of 2001 Improvement Fund activity. He stated at the last meeting we discussed the possibility of paying off the special assessments. He stated we would have sufficient funds to pay off the balance of special assessments in the amount of \$315,695.

Chairman Pawluk stated it seems like a big chunk to pay off all at one time with all of the other things we have going. However, maybe it is the wisest use of the public funds.

Mr. Dobberstein stated he does not see any problem with paying these off, however, the revenues in the improvement fund do come in throughout the course of the year and not all at once.

Gen. Macdonald stated in that case we could pay them off at intervals rather than all at once, at that could be at the discretion of Mr. Dobberstein.

Mr. Kilander moved the board authorize Mr. Dobberstein to start a systematic payoff of municipal liens, with the sequence under the control of the Executive Director and have that accomplished by January 1, 2002.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Macdonald and Pawluk voted aye.

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

Elected Gen. A.P. Macdonald Chairman of the Municipal Airport Authority for Calendar Year 2001, As Per Bylaws:

Mr. Anderson moved to elect Gen. Macdonald Chairman of the Municipal Airport Authority for calendar year 2001, as per bylaws.

Second by Mr. Kilander

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

Elected Mr. Bob Anderson Vice Chairman of the Municipal Airport Authority for Calendar Year 2001, As Per Bylaws:

Dr. Clark moved to elect Mr. Bob Anderson Vice Chairman of the Municipal Airport Authority for calendar year 2001, as per bylaws.

Second by Mr. Kilander

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

Adopted Resolution of Appreciation to Outgoing Chairman of the Municipal Airport Authority, Mr. Ken Pawluk:

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

WHEREAS, Mr. Ken Pawluk has just completed two years as Chairman of the Municipal Airport Authority of the City of Fargo, North Dakota, and

WHEREAS, During the years of Mr. Pawluk's chairmanship the Municipal Airport Authority moved steadily and successfully forward in improving the aviation facilities and airline service at Hector International Airport, and

WHEREAS, Mr. Pawluk labored diligently and given unsparingly of his time in serving as Chairman of the Municipal Airport Authority.

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

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

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, and Macdonald voted aye.

Mr. Pawluk passed his vote.

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

The Annual Meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 13, 2001 at 8:00 a.m. in the Airport Boardroom. Time at adjournment was 10:27 a.m.

\*\* THIS WILL BE THE ONLY MEETING IN FEBRUARY \*\*

Regular Meeting

Tuesday

February 13, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 13, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald

Absent: Clark

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 9, 2001:

The minutes of the Annual Meeting of the Municipal Airport Authority held January 9, 2001, were approved without objection.

Approved the Individual Voucher to Falls Automotive:

Mr. Pawluk moved to approve the individual voucher in the amount of \$20,883.00 to Falls Automotive for the purchase of a 2001 Dodge airfield maintenance pickup (MAA approved 5 00).

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Wallwork Truck Center:

Mr. Pawluk moved to approve the individual voucher in the amount of \$111,806.00 to Wallwork Truck Center for the purchase of a 2001 Sterling truck with sand unit.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Northern Technologies, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,400.00 to Northern Technologies, Inc. for the Phase I Environmental Assessment on the property in the Airport First Addition.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$8,983.79 to Flint Communications for partial payment request for the 2001 airport marketing campaign.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

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 \$1,339.10 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Eastside Terminal Generator Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Interiors by France:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,300.00 to Interiors by France for the final phase of the carpet installation project (car rental areas).

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

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 \$10,971.75 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Runway 8/26, Perimeter Road Project, AIP 3 38 0017 24.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

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 \$612.21 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Safety Area Box Culvert Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,295.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the PFC #5 application.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,817.00 to Ulteig Engineers, Inc. for payment request for professional services in connection with the Airport Master Plan Update.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Mehl's Heating:

Mr. Pawluk moved to approve the individual voucher in the amount of \$21,633.50 to Mehl's Heating for Partial Payment Request No. 2 for the Eastside Terminal Boiler Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Received and Filed 4th Quarter 2000 PFC Report:

The 4th quarter PFC report for 2000 was received and filed without objection.

Received 2000 Improvement Fund Summary:

The 2000 Airport Improvement Fund Summary was received and filed without objection.

Mr. Dobberstein stated this is a summary of the revenue and expenses for the Airport Improvement Fund for 2000. He stated the report of the Operations and Maintenance Statement for 2000 will be ready for the first meeting in March.

Considered Change Order for South General Aviation Area Hangar Project:

The communication from Olaf Anderson & Son to T.L. Stroh Architects dated January 10, 2001, was received and filed without objection.

Mr. Dobberstein stated the communication involved a change order for time and material by Olaf Anderson & Son and Robert Gibb & Son to install some new heat tape and insulate some pipes in the Flight Training administration building. He stated this additional work was required because of the demolition of Hangar #3, which previously provided protection to this area. Total cost of the change order is \$827.81.

Considered Change Order for South General Aviation Area Hangar Project: (Continued)

Mr. Pawluk moved to approve the change order as presented.

Second by Mr. Kilander.

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

Absent and not voting: Clark

Mr. Anderson abstained.

The motion was declared carried.

Authorized Sale of Miscellaneous Airport Equipment:

Mr. Dobberstein stated he has previously reviewed with the board some of the equipment we wish to sell at the next City auction in May. He stated we have received our new airfield maintenance pickup and will sell the old one. He stated the two new snow plows will replace two motor graders we currently have (one 1962 model and one 1979 model). He stated considering their condition we would like to sell them. He stated we also have the boiler which was part of the block building. He stated we would also like to include the old departure lounge seats. He stated there are some other miscellaneous equipment/furniture items.

Mr. Anderson moved to authorize the Executive Director to dispose of surplus miscellaneous equipment at the City auction in May.

Second by Mr. Kilander.

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

Continued Discussion Regarding Eastside Terminal Boiler/Generator Project (Obermiller/Ulteig):

Mr. Dobberstein stated he has provided the members with reports from both Ulteig Engineers and Obermiller Nelson Engineering on this project. He stated this project is a continuation of the 2000 flood damage in the Eastside Terminal. He stated FEMA had gone through the building and prepared a large project worksheet identifying a number of projects that needed to be replaced. He stated one item that came to light after the FEMA review was the boiler feed pump, for which Mr. Obermiller has provided information. He stated the cost to install the proposed pump is \$8,798. He stated this pump will be compatible with the new boiler.

Mr. Dobberstein stated Mr. Obermiller's report explains the reason this pump needs to be installed, and also to provide documentation to FEMA through ND Emergency Management.

Mr. Obermiller stated FEMA had allowed only \$2,000 for the replacement of this pump. He stated his report explains why the more expensive pump is needed. He stated he obtained quotes from both Robert Gibb & Sons and Mehl's Heating. He stated Mehl's proposal was about \$1,000 less but both proposals were within the realm of what is needed.

Mr. Dobberstein stated that regardless of what FEMA determines as far as funding, we have no choice but to move forward and have this pump installed.

Mr. Obermiller stated there is some concern that the new boiler does not have as much water capacity as the old boiler and because of that the boiler feed system has to make up the difference.

Mr. Anderson asked if there are any electrical ramifications.

Mr. Joel Kath indication there were no electrical problems with that.

Chairman Macdonald stated it is his thought that we go with the new pump regardless.

Mr. Anderson stated he agrees.

Mr. Pawluk asked why we were not aware of this before now.

Mr. Obermiller stated his role has been as a reviewer rather than a designer on this project. He stated when they got involved the proposals from the two heating firms had already been received. He stated they were asked to review the proposals and the two proposals were not for the same type of system so both firms were asked to resubmit proposals so they were more equal.

Continued Discussion Regarding Eastside Terminal Boiler/Generator Project (Obermiller/Ulteig):  
(Continued)

Mr. Obermiller stated as far as the boiler feed system, they were not asked to review that. He stated FEMA at one point indicated the feed pump should be replaced because it was flooded.

Mr. Anderson asked Mr. Obermiller if he had designed the system would he have recommended this.

Mr. Obermiller indicated they probably would have, but it's one of those things where the existing pump does work so we would have given you the option.

Mr. Anderson asked if the price quoted for the pump includes any engineering fees.

Mr. Obermiller indicated engineering fees were not included but should not be that much.

Mr. Anderson moved that we proceed with the Mehl's Heating proposal of \$8,978.00 for the new boiler feed pump as discussed, and that we continue to work with Obermiller Nelson Engineering to oversee the installation of this system.

Second by Mr. Pawluk.

Mr. Pawluk stated he would like the record to reflect that the Airport Authority feels this is a very important and necessary improvement, based on the consulting engineer's report, as well as FEMA and North Dakota Emergency Management.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Mr. Dobberstein stated at the last meeting the board directed him to send a letter to all of the tenants in the Eastside Terminal to see if they would be interested in paying more rent if the Airport Authority were to install a generator to supply full emergency backup. He stated the response was overwhelmingly "no." He stated that now brings us back to FEMA's original suggestion of installing a basic generator to run the pumps.

Mr. Joel Kath, Ulteig Engineers, was recognized and stated the building codes will not allow a gasoline powered generator in the basement of a building. He stated FEMA has the wrong generator proposed in their cost estimate. He stated he feels their estimate of \$31,000 is appropriate for a diesel generator to accommodate the pumping equipment and essential electrical items. He stated the executive summary at the beginning of his report indicates the most appropriate action is to install a generator and provide connection only to the pumping equipment at this time, however, size the generator to accommodate future connections to essential heating systems and emergency lighting at some time in the future. He added that since it would take too long for the airport to recoup the cost of a full generation system, it would be better to put that money toward electrical upgrades in the building.

Mr. Pawluk stated if FEMA feels we should have \$34,000 of back up power generation to cover those essential services then I think we should follow their recommendation. He stated on the other hand, if FEMA authorizes only \$6,000 then he would be inclined to take the \$6,000 and provide backup power for the truly critical sources to prevent flood damage. He stated he does not necessarily take it to the next level and provide backup power to keep the boiler and everything else running.

Mr. Kath stated he still feels FEMA has the wrong number in that \$6,000 and it should be closer to \$18,000 for the generator itself, and he also feels they are low on their installation estimate.

Chairman Macdonald asked how much more it would take to have a generator that would run the boiler as well. He stated he didn't think it would require that much more since the boiler would probably not be operating at the same time of the year we would be having a flood.

Continued Discussion Regarding Eastside Terminal Boiler/Generator Project (Obermiller/Ulteig):  
(Continued)

Mr. Kath stated for a generator that would handle building heating and air handling we would be looking at 45 kw. He stated we are looking at a minimum 16 kw for the essential pumping, and going up to the next proper size generator you would be going to a 25 kw generator.

Mr. Dobberstein stated in order for FEMA to participate in our flood loss, we are required to meet these flood mitigation requirements, along with purchasing flood insurance for that building.

Mr. Kath stated that in their dealings with similar projects at NDSU and UND, FEMA seems to be changing their rules. He stated one of their initial procedures was that if you accepted disaster assistance and completed the required mitigation and you had damage in the future you would be covered. However, if you did not do mitigation and you sustain damage they would not cover future damage as you were forewarned.

Mr. Larry Miller, FAA Airway Facilities, was recognized and stated he knows of four surplus 20 kw generators available. He stated some are stand alone, some of them are in a trailer. He stated all of these generators are serviceable, the FAA replaced them with battery systems. He stated two are in Minneapolis and two in Bismarck.

Mr. Dobberstein stated surplus property has always been an option.

Mr. Kath agreed that would be an appropriate option.

Mr. Pawluk stated he feels we should pursue a fully funded option as FEMA has presented. He stated he also feels we should check into the surplus generators.

Chairman Macdonald stated he would recommend Mr. Kath and Mr. Dobberstein check into getting the 20 kw diesel generator and get an estimate on how much it will cost to install it.

In answer to a question from Mr. Dobberstein, Mr. Miller indicated the generators would be available right away.

Mr. Kilander stated he thinks it would be a good idea to check into a natural gas generator.

Mr. Anderson suggested getting two 20 kw generator and run both, one for the electrical and one for the pumps.

Mr. Miller stated those are single phase generators and the air handling systems would require three phase. Mr. Miller stated there is a 50 kw available as well.

Chairman Macdonald asked Mr. Kath to have some costs for us at the next meeting, as well as the availability of surplus generators.

Continued Discussion Regarding Airport Newsletter (Flint Communications):

Ms. Christy McLachlan, Flint Communications, was recognized and stated at the last meeting the board directed Flint Communications to come up with a concept for an airport newsletter. She stated the objective of the newsletter is to increase awareness of all aspects of the airport and provide information to those people using the airport.

Ms. McLachlan gave various costs if the newsletter were to be published once a year or twice a year, and depending upon number of copies the costs ranged from \$2,908.00 to \$6,686.00. She indicated the initial newsletter design would be \$1,300.00 and set up time after the initial would be \$650 each time, not including scans and lasers. She added that the cost of the Chamber list would be \$110 as they sell the labels only.

Mr. Pawluk stated he thinks the newsletter looks good and there is value to it. He suggested we try it for a year and see what we think.

Ms. McLachlan stated one other suggestion would be to place an ad in the Chamber newsletter advising how to get on the newsletter mailing list.

Mr. Pawluk moved to go ahead with the newsletter as presented, to be published twice a year, with the printing quantity up to the discretion of the Executive Director.

Second by Mr. Anderson.

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

Received Update on Proposed Car Rental Facility:

Mr. Dobberstein stated on December 21, 2000, Attorney Stewart sent to Attorney George Riley revised proposed leases. He stated we had not heard anything until Mr. Tom Ryan (Budget) called recently indicating the leases would work for them.

Mr. Tom Ryan was recognized and stated they are all set to go. They need to pick a CPA and file the papers to incorporate their partnership.

Mr. Pawluk moved to approve the proposed leases between the Municipal Airport Authority and the car rental agencies.

Second by Mr. Kilander.

Mr. Dobberstein stated our leases contain a \$2 million combined single limit of liability coverage. He stated he has requested the City Finance Coordinator, Kent Costin, to put him in touch with the City's risk coordinator at AON Risk Services to reaffirm to us that the requirement should be at that level.

Mr. Ryan stated their franchises require them to carry a \$500,000 limit because to carry a \$2 million limit would cost too much and with that much coverage and all of the cars they have on the road opens up a liability issue.

Mr. Pawluk asked Mr. Ryan why they don't carry just \$50,000 then. He stated he agrees with the concept since most lawsuits are not settled for more than the amount of insurance coverage, but is not sure that argument is valid.

Mr. Kilander stated there are some companies in the real estate business that refuse to buy errors and omissions coverage because then someone will sue them.

Attorney Stewart stated we can check with AON, as \$2 million does seem a little high.

Mr. Pawluk stated he would not, in his wildest dreams, insure this type of business for any less than \$2 million.

Mr. Ryan suggested having different limit requirements for the building lease and the concession lease.

Chairman Macdonald called for a vote on the motion.

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

Mr. Dobberstein asked Mr. Ryan if it is their intent to come before the board at the next meeting in March.

Mr. Ryan indicated he feels they will be ready to enter into this agreement in the next 10 days.

Continued Discussion Regarding Adjacent Airport Property:

Chairman Macdonald stated there are four parcels of land adjacent to the airport we are considering purchasing. He stated one of these parcels is the Hector property adjacent to North University and we had made an offer of \$.50 a square foot and they counter offered at \$.80. He stated he and Mr. Anderson, as the appointed subcommittee, responded that we were not interested at that price. He stated as far as the other three parcels we are waiting for the appraisal review. He stated he is certainly in favor of meeting the appraised valuation but not certain he is interested in going over that amount.

Mr. Dobberstein stated Mitch Marcuson with the City Assessor's Office is reviewing the Larson and Teslow appraisals.

Attorney Stewart stated the reason the review appraisals are being done is so that we are in a position should AIP funding become available. He stated Mr. Dobberstein has indicated he does not think we will be able to get federal funding for the Stockman parcel so we are just going to go ahead and make the offer on that.

Continued Discussion Regarding Business Center/Internet Kiosk Stations:

Mr. Dobberstein stated the last time the board discussed this matter was November 14, 2000, at which the time the board directed he and Mr. Darren Anderson to come back later with recommendations as to the locations. He stated we had Foss Associates lay out a total of nine stations, three stations on the west side of the departure lounge, three stations on the east side of the departure lounge, and a potential for three stations on the first floor. He stated these are desk units which will have an Internet connection. He stated there was discussion as to whether or not a telephone should be included as well, but in doing some checking with other airports it seems that having a telephone there defeats the purpose as people not necessarily needing an Internet connection will sit and use the phone rather than one of the other pay phones. He stated probably more than 90% of the time someone using a lap top computer is using a cell phone.

Mr. Dobberstein stated we have ordered additional telephone equipment at a cost of about \$2,500 which will provide more phone lines.

Mr. Pawluk asked if we have looked into other options for the data lines rather than phone lines. He stated there may be a better choice for the service rather than phone lines and he would like to see those options explored.

Mr. Dobberstein stated even if the additional phone lines are not use for this we were at the point where we needed more lines anyway.

Chairman Macdonald stated he feels it would be in our best interest to explore the other options.

Mr. Pawluk suggested we start with three stations upstairs and three downstairs, or go ahead with the nine stations right away.

Mr. Kilander moved we install nine Internet kiosk stations, with the specific locations at the discretion of the Executive Director.

Second by Mr. Anderson.

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

Authorized Attendance at the ND Aviation Symposium, Fargo, March 3 6, 2001:

Mr. Pawluk moved to authorize attendance at the ND Aviation Symposium by members of the Airport Authority, the Executive Director and Assistant Director.

Second by Mr. Anderson.

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

Authorized Attendance at the AAAE Annual Conference, May 20 23, New Orleans, LA:

Mr. Anderson moved to authorize attendance at the AAAE Annual Conference, May 20 23, New Orleans, LA, by members of the Airport Authority, the Executive Director and Assistant Director.

Second by Mr. Anderson.

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

Authorized Attendance at the AAAE Snow Symposium, Buffalo, NY, April 22 25, 2001:

Mr. Dobberstein stated Mr. Henry Swedberg (Airfield Maintenance Supervisor) and Mr. Darren Anderson would like to attend this symposium.

Mr. Pawluk moved to authorize attendance at the AAAE Snow Symposium by Mr. Swedberg and Mr. Anderson.

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

## Other Business:

Chairman Macdonald stated he would like to discuss the recent fine imposed by the FAA for a security violation. He stated in July 1999 both of the FBOs on the north end of the field got nailed with a security violation. He stated one was able to mitigate and resulted in no fine. He stated the other one chose to take the hard rock route which resulted in a \$900 fine. Chairman Macdonald stated unfortunately the lease does not specify clearly enough that the tenant is responsible to reimburse the Airport Authority and unfortunately we are nailed for that \$900.

Chairman Macdonald stated Mr. Dobberstein negotiated with the FAA and was successful in getting the fine reduced to \$600, and he does not know what other option we have.

Mr. Bob Anderson stated in light of the money we have saved them in recent months on interest and other things he says send them a bill.

Mr. Dobberstein stated we received a letter after a conference call with the FAA Attorney. He stated his previous communication indicated that we feel a better use of public funds would be to settle this for \$1 and use the funds for additional training but they did not buy into that. He stated the timeline of 15 days for us to respond, by either sending a check for the fine or request a hearing. He stated that would require flying to Chicago and going through the process and in all practicality that is not going to work.

Mr. Pawluk asked if the party to whom the offense was applied is present at this meeting.

Chairman Macdonald indicated yes.

Mr. Kilander asked if the verbiage of the lease implies that a tenant would be responsible for any fine and there is just a technical omission.

Attorney Stewart stated somehow the FAA makes the airport an insurer of the conduct of other people. He stated we recently put specific wording now in all of the leases referring to the FAA's position that the airport is an insurer of the conduct of its tenants. He stated there is, however, a clause in our old leases saying that tenants will comply with any and all FAA regulations.

Mr. Pawluk asked if that clause implies that tenants would have responsibility in the event of violations.

Attorney Stewart indicated it certainly would.

Mr. Pawluk stated our course with the FAA is clear, but the other questions is how big a deal do we want to make of this.

Chairman Macdonald stated he agrees we should pay the FAA the \$600 fine and not request a hearing. He stated then we should bill the appropriate FBO for reimbursement of the fine. He stated it would be a mistake to presuppose that they will not reimburse the airport.

Mr. Anderson moved Mr. Dobberstein be authorized to send a check for \$600 to the FAA, and advise the party involved of the reduced amount.

Second by Mr. Pawluk.

Mr. Dobberstein stated Valley Aviation has not yet been billed for this as we did not know the amount until now. He stated this incident does go back to July 1999 so it has been dragging on with the FAA since that time. He stated he had spoken to Dr. Hamilton after they had conference calls with the FAA and we offered our service to any of their employees authorized with giving access to the ramp area in terms of training and how to scrutinize someone requesting access. He stated they do have procedures in place and if they follow those procedures they should be able to rightly scrutinize anyone requesting access onto the ramp.

Mr. Pawluk stated those procedures have been in place for many years as he has been challenged many times by Valley and Flight Training.

Mr. Robert Hamilton was recognized and stated they did challenge the FAA that day. He stated it was just their finding that we did not do everything possible. He stated it is just a battle that is not going to be won.

Other Business: (Continued)

Mr. Bob Anderson indicated Valley would be getting a bill for reimbursement.

Mr. Hamilton stated they are not going to pay it.

Mr. Anderson stated we will remember that.

Chairman Macdonald called for a vote on the motion.

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

Mr. Dobberstein stated we have received some information that Air Wisconsin is in the market for 75 additional regional jets and they are looking at communities in terms of possible locations for a maintenance facility. He stated he has expressed interest that we may be one of those cities they should consider.

Mr. Pawluk suggested a subcommittee of the Airport Authority to work on this issue, and he volunteered to serve on that committee.

Mr. Kilander indicated he would also volunteer.

Chairman Macdonald indicated Mr. Pawluk and Mr. Kilander would serve on that subcommittee.

Mr. Bromenschenkel stated there is a bill before the legislature relative to special assessments of tax exempt property, whereby the tax exempt property would not be able to be involved or counted in a protest. In other words there could be a project where only 20% of the property is owned by a taxable interest and 80% by a non taxable entity and the protest by the 20% could throw out the whole project. He stated if anyone has any concerns about this they should contact their legislators.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the project for this year is the extension of Runway 8/26, the reconstruction of the Taxiway A and Runway 8/26 intersection perimeter road. He stated they are deep into the plans and specifications and the board does not meet again until March 13 and they would like to have the advertisement for bids to go out before that. He stated the first advertisement should be Monday, March 12 so we can receive bids on April 5 and award the project the following Tuesday at the board meeting (April 10).

Mr. Dobberstein stated the federal money keeps shifting. He stated right now our 2001 entitlement funds should be \$1.9 million and we should have that for sure. He stated what we don't have is the discretionary funding. He stated we had expected to receive almost \$1.5 million in round one and that is not the case. He stated the FAA office in Bismarck has requested almost \$3 million in discretionary in the second round and they should know by late May or early June.

Mr. Synhorst stated we have the bid set up for three separate projects: 1) dirt work for the extension of the perimeter road, 2) intersection work, 3) concrete work. He stated those three projects are set up under different bids schedules. He stated we are going to award to the low bidder of the combined of those three bid schedules. He stated the Airport Authority has the right to award any one or a combination of those three and can change order in the rest of them at a later date. He stated if we receive the \$3 million in discretionary it would probably tie in well with the way construction would be going. He stated if we don't get the money this year we will have a stronger case next year since we will have the dirt work for the runway completed but no runway in place. He stated we just found out in the last week that we did not receive the discretionary funding.

Mr. Pawluk moved the Airport Authority authorize the engineer to go ahead with the plans and specification and break up the bidding as requested.

Second by Mr. Kilander.

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

## Other Business: (Continued)

Mr. Synhorst stated he would like to update the board on the Cass County Drain 10 box culvert. He stated with the heavy rains last June there were issues with Drain 10 and Drain 3, which come together. He stated the City of Fargo Northern Water Resource District was not in favor of going ahead and approving any box culverts so the City hired Ulteig Engineers to do an analysis of the whole system all the way back to Prairiewood.

Mr. Synhorst stated their analysis found that the 100 year flow is something less than what was originally thought and secondly, not only the flood control structure but the structures downstream are undersize and upstream are undersized, so when you put 800 foot box culvert into the system it causes a backup upstream all the way to 12th Avenue North. He stated the City is not in favor of approving anything that would cause that kind of back up. He stated with this box culvert analysis it was assuming that the downstream structures were going to be upsized to help with the flow situation. He stated if they are not upsized within the near future and the box culvert goes in, the increase will be one to two feet.

Mr. Synhorst stated the box culvert has been designed to be 800 feet wide for the future extension of Runway 8/26. He stated they have talked with the FAA and there are two ways that runway can be extended, widened and strengthened. He stated the first is a capacity issue and the second would be a noise issue. He stated we can get the safety area for the runway extension accomplished by rerouting the drain 150' west. He stated this would accomplish the same thing as the box culvert. He stated in order to get the water flow needed through that area it would need to be a bridge structure rather than a box culvert.

Mr. Synhorst stated Bruce Langness from their office is setting up a meeting with City Engineer Mark Bittner. He stated we have talked with him briefly about this and it is looking favorable for a small channel reroute to accomplish the same thing.

Mr. Dobberstein stated we have collected \$850,000, plus interest, in "impose only" PFC funds for the box culvert project. He stated if for some reason we do not do the box culvert project then that \$850,000 plus interest goes toward our ultimate project, which was the north general aviation apron and we would have collected more than we owe and would be in an over collection situation. He stated after getting further into the planning process and after the June flood we requested an amendment to the PFC application for an additional \$250,000 for the project. He stated that amendment is pending and the Bismarck FAA office has put it on hold.

Mr. Dobberstein stated the FAA may feel this is a significant change in the scope of the project, although it accomplishes the same thing, and that would require us to go back and go through some of the same process again but we worked through all of that yet.

Mr. Synhorst stated he feels the City is going to want the reroute rather than the box culvert. He stated he personally feels that if the runway and taxiway are ever extended over that, because of drain issues you are looking at a bridge rather than a box culvert.

Mr. Dobberstein stated he thinks the FAA will see that this accomplishes the same task, however, they will want us to convey to the airlines that after getting further into the engineering of the project it was no longer feasible.

After further discussion, Mr. Pawluk moved the Airport Authority authorize Ulteig Engineers to go ahead with the alternative plans to reroute Cass County Drain 10.

Second by Mr. Kilander.

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

Other Business: (Continued)

Mr. Dobberstein stated he had faxed some information to the board members regarding the colors on the new hangars in the southeast general aviation area.

Mr. Terry Stroh, T.L. Stroh Architects, explained the situation, stated he feels the colors are fine and recommended the contractor be authorized to continue.

Mr. Kilander moved to approve the contractor be authorized to continue.

Second by Mr. Pawluk.

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

Mr. Anderson abstained.

Absent and not voting: Clark

The motion was declared carried.

The regular meeting was adjourned until the next regular meeting to be held Tuesday, March 13, 2001, at 8:00 a.m.

Time at adjournment was 10:08 a.m.

Regular Meeting

Tuesday

March 13, 2001

The regular meeting of the Municipal Airport Authority was held Tuesday, March 13, 2001 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk and Macdonald

Absent: Clark

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 13, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held February 13, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$26,124.25:

Mr. Kilander moved to approve the airport vouchers totalling \$26,124.25.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sheehan Mack Sales:

Mr. Anderson moved to approve the payment request in the amount of \$557,648.00 to Sheehan Mack Sales for purchase of two Osh Kosh snowplow trucks.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the partial payment request in the amount of \$11,458.12 to Flint Communications for the 2001 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Meritcare Healthcare Accessories:

Mr. Anderson moved to approve the individual voucher in the amount of \$3,520.00 to Meritcare Healthcare Accessories for the purchase of an automated external defibrillator.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$18,290.72 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Extension Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$571.83 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Safety Area Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$450.00 to Ulteig Engineers, Inc. for engineering services in connection with PFC Application #5.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Received Airport Area Landscape Management Plan from Hanson Design Associates:

The Airport Area Landscape Management Plan prepared by Hanson Design Associates was received and filed without objection.

Mr. Dobberstein stated this is a landscape management plan for the next ten years and introduced Mr. Jim Hanson, Hanson Design Associates.

Mr. Jim Hanson was recognized and stated they have done an inventory analysis and have identified all of the landscape areas on the airport. He stated they have come up with some general observations and recommendations. He stated they have just completed their first rough draft of scheduling and recommendations for the next ten years. He stated one of the next steps is to meet with the City Forester and refining the plan.

Received Airport Area Landscape Management Plan from Hanson Design Associates:  
(Continued)

Mr. Jim Hanson introduced Mr. Josh Walter, who did all of the field work and put the package together.

Mr. Walter stated there were several areas that have some concentrated maintenance issues which would include the entrance area, the viewing park, the trees along the access road and in the terminal area itself. He stated there are also some issues with the surrounding shelterbelts.

Mr. Walter stated while the trees at the entrance are in good shape, there really isn't anything that invites people to turn off there. He stated along the access road is a harsh environment for trees since the wind really whips across that long open area. He stated the trees show varying growth, some of them are doing alright and some are becoming stunted. He stated the trees in the viewing park have a little bit of disease but overall are in good shape. He stated the trees in the viewing park and the terminal area show a lot of mechanical damage.

Mr. Walter stated the shelterbelts need some clean up. The shelterbelt in the old farmstead area is in the worst shape. There are a lot of fallen trees and debris. Mr. Pawluk asked if some of the spruce trees that need to be thinned from the shelterbelt could be transplanted and put along Joe Parmer Drive, as they could probably take the wind better than the deciduous trees.

Mr. Walter they certainly can. He stated if they were spaced properly they would grow, but for snow purposes you may not want to have a string of them along the road.

Mr. Pawluk he stated the first thing we can do is to prevent any further mechanical damage. He stated the next priority he would like to see is the improvement of the entrance area and along Joe Parmer Drive. He stated he if we need to get other varieties that will withstand the wind then we need to get those but he feels we need more trees along Joe Parmer Drive.

Mr. Pawluk asked who has done the tree pruning in the past.

Mr. Dobberstein indicated the Forestry Department has done that in the past but probably does not have the staff to meet the needs identified in this report. He stated the Forestry Department is looking for us to take on that task ourselves through a contractor, with some supervision from Scott Luidahl, City Forester.

Mr. Dobberstein stated part of the shelterbelt will be taken out this summer for the extension of Runway 8/26.

Mr. Pawluk stated the board has also talked about removing the trees in the second shelterbelt in line with Runway 8/26 to avoid any further problems if an aircraft encounters trouble at least they won't get stuck in the trees. He added that if we don't plant any more trees around the airport we won't have any trees and the trees are really what make this an attractive area and break the wind. He stated he would like to make it a priority this year.

Received Communication from Ulteig Engineers, Inc. Regarding Eastside Terminal Generator Project:

The communication dated March 9, 2001, from Ulteig Engineers, Inc. was received and filed without objection.

Mr. Joel Kath, Ulteig Engineers, was recognized and stated we received proposals from four contractors for the Eastside Terminal Generator Project. He stated they drafted a small set of specifications outlining what we were trying to accomplish and walked the four contractors through the building.

Mr. Kath stated we took base prices on a 25 kw generator which handles just the boiler room itself and a few other incidentals. He stated after looking at the project more closely it is going to cost just as much to put the generator inside the building as it will to put it in a weatherproof enclosure outside of the building. He stated the walls of the building are 16" thick and we would have had to spend a lot of money just to get air moving in and out of the building. He stated it is much simpler to go with the outdoor enclosure.

Received Communication from Ulteig Engineers, Inc. Regarding Eastside Terminal Generator Project: (Continued)

Mr. Dobberstein asked Mr. Kath if he had looked at the enclosure the National Weather Service used to use.

Mr. Kath stated it may work but the cost to modify that could be the same as a new one. He stated the contractors have been advised that the Airport Authority has not yet decided whether or not they are going ahead with the project and we asked them to hold their prices for 60 90 days.

Mr. Kath stated their original estimate was about \$31,000 and Modern Electric was low bid at \$24,400. He added that all four contractors bid a Caterpillar generator.

Chairman Macdonald asked Mr. Kath to go over some of the advantages of a 45 kw over a 25 kw.

Mr. Kath stated the 45 kw generator would allow you to expand and bring emergency power into other parts of the building. He stated it gives you some additional capacity for life safety throughout the building if the building is remodeled and emergency lighting is brought throughout the building. He stated a 45 will also give you some air handling capability. He stated there are parts of the building that would freeze if just the boiler and condensate pump were kept running. He stated under a major remodeling project the mechanical systems would probably change. Mr. Kath stated for an additional \$6,400 you are getting not quite twice the capacity which could be used not only for life safety but additional stand by power.

Mr. Dobberstein stated he does not know if he will get an answer from ND Emergency Management before the next meeting. He stated we have no indication that they will increase their participation from the \$6,000 they identified.

Mr. Dobberstein stated Kent Costin, City Finance Coordinator, still has not received flood insurance quotes which we had expected a couple of weeks ago.

Mr. Dobberstein stated Mr. Larry Miller, FAA, had indicated the FAA had some surplus generators but those available now are only single phase. He stated he thinks there might be a 50 kw three phase generator but he does not know when that will be available. He stated we also checked with State Surplus Property but they had nothing available.

Mr. Pawluk stated we probably do not need to move on this today but it is something we have been working on for a while. He stated it is his thinking that we are not planning on rewiring the building and we don't have any short or mid term plans that say we are going to energize the building beyond what we need for emergency back up. He stated he feels going with the smaller generator is the way to go, unless we are able to get one from surplus properties.

Chairman Macdonald stated he worries a bit when he hears about things freezing up.

Mr. Kilander stated he has the same concerns. He stated it seems like for \$6,400 we could buy a whole lot of insurance. He stated he does not see that building having less utilization in the future. He stated in fact we could reasonably see a high probability of a needed increase and to start over from square one would not be good.

Mr. Kath stated the \$6,400 buys the extra generator capacity. He stated we did not go through the building and connect up those items.

Chairman Macdonald asked if the bid received would include the air handling equipment necessary to insure the building does not freeze up.

Mr. Kath stated it would provide the generator capacity, but does not connect it. He stated his original estimate was \$25,000 to connect emergency and life safety items, which is getting into the remodeling of the building.

Chairman Macdonald stated it seems we have gone from a Ford to a Cadillac and could we stop somewhere in between and talk just about the air handling equipment so we could be assured the building would not freeze.

Received Communication from Ulteig Engineers, Inc. Regarding Eastside Terminal Generator Project: (Continued)

Mr. Kath stated there are two issues involved with keeping the building from freezing, one is the boiler and mechanical equipment in the boiler room, and those are covered under either generator. He stated for anything beyond that you are looking at rewiring parts of the building to access air handlers that are remotely from the boiler room.

Mr. Kath stated a 125 kw generator would take care of the whole building but there are a lot of other electrical issues. He stated the main electrical service was updated about 15 years ago and that is in good shape, aside from that the rest of it is in adequate condition at best.

Mr. Pawluk stated he feels the direction we should take is to keep the basement from filling up with water and freezing up. He stated with anything else we have enough reaction time that we can adjust to it. He stated let's either protect just the basement or put in a 125 kw generator to take care of the whole building.

Mr. Anderson stated he agrees with Mr. Pawluk that we should stick with the minimum at this time. He stated we should wait until we find out how much funding we are going to receive.

Mr. Dobberstein stated one of the reasons the electrical system is so spread is when it was used as a terminal the airlines and tenants had separate meters.

Chairman Macdonald stated this item will be on the agenda for the next meeting.

Mr. Pawluk stated he does not want us to be in a position where we have water in the basement again. He asked the turnaround time on this project.

Mr. Kath stated it would take about eight weeks for delivery on the generator.

The matter was tabled until the next meeting.

Received Request from Fargo Jet Center to Lease Southeast General Aviation Area Hangar Space:

The communication dated March 2, 2001, from Fargo Jet Center was received and filed without objection.

Mr. Dobberstein stated we recently requested proposals from parties interested in leasing the new hangar in the southeast general aviation area. He stated Fargo Jet Center was the only response we received, and their proposal was in conjunction with the NDSU Aeromanufacturing Technology Program. He stated that program is still in the making and we have a meeting next week with representatives from NDSU and Fargo Jet Center.

Mr. Dobberstein stated Fargo Jet Center's proposal for the hangar was for \$1,000 per month plus the maintenance, insurance and other items. He stated the NDSU program may start this fall and in the meantime we have no one else to occupy the building. He stated he is recommending the board accept the offer from Fargo Jet Center for \$400 per month, until the agreement with NDSU is solidified.

Mr. Kilander moved the Airport Authority accept the offer from Fargo Jet Center to lease Hangar #4.

Second by Mr. Anderson.

Mr. Pawluk stated he feels that \$1,000 is well below the market rent on that hangar. He stated the wear and tear on the building will be worth more than \$400 per month.

Mr. Dobberstein stated the agreement would be on a month to month basis, as the NDSU agreement could change things tomorrow.

Chairman Macdonald stated in one sense he agrees with Mr. Pawluk. He stated we need to have an end point on this, regardless of what happens, because if NDSU is not successful in getting this program going we need to get a long term lease on the building. He stated he feels if the rent is based on income from rental to aircraft owners then we should get more than 10%.

Mr. Dobberstein stated that is based on the current agreement for the other hangar.

Received Request from Fargo Jet Center to Lease Southeast General Aviation Area Hangar Space: (Continued)

Mr. Pawluk stated he does not feel the 10% is an issue as long as there is the \$400 minimum.

Mr. Kilander amended his motion to include that this is on a month to month basis and can be terminated with a 30 day notice by either party.

Mr. Anderson seconded the amendment.

Mr. James Sweeney was recognized and stated this request was triggered by the fact that the building is sitting empty and they have aircraft sitting outside. He stated this use is really going to be an extension of the cargo operation. He stated there are some freight aircraft coming to Fargo that would like to be inside a hangar. He stated the intention is to use it for the NDSU program.

Mr. Anderson stated the only concern he has is that we are not advantaging one business over another, although the other businesses could have come forward with the same request but didn't.

Mr. Kilander stated with the 30 day cancellation clause he does not see where we would lose anything. He stated it is better to generate something rather than nothing.

Mr. Pawluk stated Fargo Jet Center was the only party making an offer to lease the building so in essence we do have an agreement with them.

Mr. Dobberstein stated we have not yet entered into a written agreement with Fargo Jet Center.

Mr. Pawluk stated although we do not have a lease with Fargo Jet Center we all accept the fact that Fargo Jet Center has an agreement with the Airport Authority to lease the building for \$1,000 per month when the school is operating.

Mr. Kilander stated he does not see where we would lose anything or be detrimental to another entity by generating some revenue from this building rather than nothing.

Chairman Macdonald called for a vote on the motion.

Members, Kilander, Anderson and Macdonald voted yes.

Mr. Pawluk voted no.

Absent and not voting: Clark

The motion was declared carried.

Received Update on Proposed Car Rental Facility:

Mr. Dobberstein stated the only update he has is that the four owners are meeting, looking at costs and reviewing their items.

Mr. Dobberstein stated he did receive an answer from Mr. Jeff Herman, AON Risk Services regarding the requirement of a \$2 million combined single limit for liability insurance. The tenants indicated that was too high but AON has indicated he would recommend \$2 million.

Mr. Terry Stroh, T.L. Stroh Architects, was recognized and stated he has distributed building plans to the owners. He stated Mr. Bernie Ness has indicated they would like to get started on the building and has become a more active participant.

Received Update on Cass County 20 Corridor Study:

Mr. Dobberstein stated there is a group of government agencies that has been meeting for the past year on the Cass County 20 Corridor Study. He stated at the last meeting there were two options proposed for the rerouting of County 20. He stated one option was further south and had a higher speed limit (55 mph). Mr. Dobberstein stated that he advised the committee that the lower option was not an option at all because the reason the Airport Authority has always shown a plan for the rerouting of County 20 was to allow airport expansion and that option would not allow that.

Received Update on Cass County 20 Corridor Study: (Continued)

Chairman Macdonald stated he would like to see a higher speed limit on that road but agrees with Mr. Dobberstein that the lower option is not an option.

Mr. Dobberstein added that under the current AIP Program this relocation would be eligible for funding.

Mr. Pawluk stated he would not be unwilling to allow County 20 go unchanged in its present design if, at the point we needed more space, they would agree to relocate it. He stated we may never need the extra space.

Mr. Dobberstein stated the immediate improvements planned for Cass County 20 will be from 25th Street to I 29.

Received Notice from Excel Development Regarding Proposed Hangar Sale:

Mr. Dobberstein stated the notice was not received so the item was tabled.

Received 2000 Operations and Maintenance Summary:

The 2000 Operations and Maintenance Report was received and filed without objection.

Mr. Kilander now absent.

Mr. Dobberstein stated the building leases for the FAA offices in the Eastside Terminal come up for renewal this year. He stated the current rate has not changed for many years so we are going to review those.

Mr. Dobberstein stated we held the PFC application consultation meeting with the airlines on March 2 and it was attended by Northwest Airlines and Atlantic Coast. He stated both carriers will be looking for a new lease agreement with the Airport Authority effective January 1, 2002. He stated since the bonds will be paid off we will be looking at some type of a small rent reduction.

Mr. Dobberstein stated that they were comfortable with all of the numbers and had no questions.

Received Airport Construction Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the Runway 8/26 project is now being advertised for bids and a lot of contractors have shown interest so far. He stated the Water Resource Board gave their approval of the rerouting of County Drain 10 last week so that is set to go.

Mr. Synhorst stated in this project we will bid the reconstruction of the intersection of Runway 8/26 and Taxiway A, so when we need to use Taxiway A as a runway when Runway 17/35 is closed for reconstruction.

Mr. Synhorst stated with the funds we have available we can do the dirt work for the extension of Runway 8/26, the ditch reroute, and the perimeter road dirt work. He stated we are trying to get discretionary funding for the pavement for Runway 8/26 and the perimeter road.

Other Business:

Mr. Pawluk stated he would like to discuss possible financial reviews of the parking lot and also our own internal procedure with respect to leases, unless that has had review by the City's auditors.

Mr. Dobberstein stated the internal accounting controls are part of the City's comprehensive audit. He stated he does not know that they look specifically at leases.

Mr. Pawluk stated he thinks it is always good to have someone from the outside take a look at how we administer the leases.

Mr. Dobberstein stated he was also going to suggest a financial review of The Barnstormer.

Chairman Macdonald stated he feels we should do the parking lot due to the large amount of revenue involved.

Mr. Dobberstein stated we could conduct reviews on both. Mr. Dobberstein stated he could get a proposal from EideBailly.

The meeting was adjourned until the next regular meeting to be held Tuesday, March 27, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:20 a.m.

Regular Meeting

Tuesday

March 27, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 27, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were shown as follows:

Present: Kilander, Anderson, Clark, Pawluk and Macdonald

Absent: None

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 13, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held March 13, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$14,230.45:

Mr. Kilander moved to approve the airport vouchers in the amount of \$14,230.25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Olaf Anderson & Son:

Mr. Pawluk moved to approve the individual voucher in the amount of \$11,893.52 to Olaf Anderson & Son for partial payment request #8 for construction of the southeast general aviation area hangar project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Mr. Anderson abstained.

The motion was declared carried.

Approved the Individual Voucher to Krueger International (KI):

Mr. Pawluk moved to approve the individual voucher in the amount of \$22,010.00 to Krueger International for payment request for Westside Terminal departure lounge seating.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald 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 \$28,867.63 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26, Taxiway C Extension, Project AIP 3 38 0017 25.

Second by Mr. Kilander.

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

Approved Individual Voucher to Construction Bulletin:

Mr. Pawluk moved to approve the individual voucher in the amount of \$412.39 to Construction Bulletin for advertisement for bids for AIP Project 3 38 0017 25.

Second by Mr. Kilander.

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

Reviewed Construction Cooperative Agreement Between the Airport Authority and the National Guard Bureau

Mr. Dobberstein stated the members have been provided with a draft copy of the proposed cooperative agreement between the Municipal Airport Authority and the National Guard Bureau.

Mr. Dobberstein stated right now the project we have out for bids for our Runway 8/26 extension and 8/26 and Taxiway A intersection work also includes the construction for the arm and disarm aprons for the Guard. He stated basically the agreement indicates that the Airport Authority will pay the contractor but the Guard Bureau will give us the money in order to make those payments. He stated this method allows them to simplify the process and also save money.

Mr. Dobberstein stated the Airport Authority entered into a similar agreement in 1988 1989 with the reconstruction of Taxiway B.

Mr. Pawluk moved to approve the proposed construction cooperative agreement between the Municipal Airport Authority and the National Guard Bureau.

Second by Mr. Anderson.

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

Reviewed Amendment to Engineering Services Agreement with Ulteig Engineers, Inc. for AIP Project 3 38 0017 25:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he has an estimate for all of the airport's construction projects this year, including the arm/disarm apron. He stated the FAA is still not sure how much funding will be available to us. He stated we will for sure be receiving the \$1.9 for this year's entitlement funds plus estimating another \$900,000 for next year's entitlements, depending upon what happens with the AIP bill. He stated if the funding level remains the same we will receive \$1.9 million for next year also.

Mr. Synhorst stated we have broken the project into a number of different bid schedules. He stated we are going to award on the base bid, the combined general and combined electrical. He stated we will enter into agreement with the contractor based on the funding that is available.

Reviewed Amendment to Engineering Services Agreement with Ulteig Engineers, Inc. for AIP Project 3 38 0017 25: (Continued)

Mr. Synhorst reviewed the items on the bid schedule as follows:

- G 1 Dirt work and storm sewer for the extension of Runway 8/26 and Taxiway C
- G 2 Reconstruction of the intersection of Taxiway A and Runway 8/26
- G 3 Paving for Runway 8/26 and Taxiway C extension, and the west perimeter road
- G 4 Arm/Disarm Apron
  
- E 1 Electrical work for runway and taxiway extensions
- E 2 Electrical work for intersection reconstruction.

Mr. Synhorst stated the airport's portion of all of these items amounts to \$6 million, and does not include the Guard's project.

Mr. Synhorst stated when the Airport Authority entered into a contract with Ulteig in 1999 for the extension of Runway 8/26, Taxiway C and the perimeter road, the funding fell through the first time so the project was broken up.

Mr. Synhorst stated this amendment is requesting approval of engineering costs totalling \$106,084.00. He stated this amount, added to the engineering funds left in the AIP 24 project of \$191,962.00, total the \$298,046.00 shown for Project AIP 25.

Mr. Synhorst stated he is not looking for approval on this amendment today, but has provided this information for the members to review for a decision at the next meeting.

Mr. Dobberstein stated this amendment will be sent to Mark Bittner, City Engineer, for his independent review.

Mr. Synhorst stated there is a pre bid conference today at 1:30 p.m.

Continued Discussion Regarding Westside Terminal Business Center/Internet Kiosk Project:

Mr. Dobberstein stated we have ordered the furniture for the business center. He stated Darren Anderson has found a wireless company that could provide the internet access rather than using phone lines.

Mr. Darren Anderson stated the initial hook up fee would be \$500 and the monthly fee would be \$100 for unlimited number of hook ups.

Chairman Macdonald recommended we get informal proposals since there are several companies who provide this service and directed Mr. Anderson to have informal proposals to present at the next meeting.

Authorized Attendance at the Denver Airport Regional Airline Facility Meeting, April 26, 2001:

Mr. Dobberstein stated that this is a meeting of the subcommittee on which he serves, along with representatives from other states surrounding the Denver Airport. He stated they will get an update on United's plan for a regional jet terminal.

Mr. Anderson moved to authorize attendance at the Denver Airport Regional Airline Facility Meeting, April 26, 2001, in Denver.

Second by Dr. Clark.

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

Other Business:

Chairman Macdonald stated EideBailly has agreed to conduct a financial review for both The Barnstormer and APCOA (parking lot). He stated their fee will be based on a flat \$80 per hour.

Mr. Pawluk moved to authorize EideBailly to conduct the financial reviews for both The Barnstormer and APCOA, Inc.

Second by Mr. Kilander.

Chairman Macdonald stated this is part of our continuing process of conducting financial reviews on the airport tenants

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

Chairman Macdonald asked Mr. Dobberstein for an update on the airline situation and possible strikes, and also on the Air Wisconsin maintenance facility.

Mr. Dobberstein stated last week both Northwest management and the union gave their pitch to the Presidential Emergency Board. He stated right now it is his understanding that the President's appointees are considering information from both sides and on April 10 they will come forth with their recommendation. He stated if the recommendation is rejected then mid May is the end of the 60 day period. He stated if they do go on strike and the airline is shut down for a few days then Congress will settle the matter.

Mr. Dobberstein stated Northwest has not indicated what Mesaba would do. He stated he believes they would continue to operate as they have their own mechanics, so we believe there will be some level of service should a strike occur.

Mr. Dobberstein stated there are a number of communities vying for consideration by Air Wisconsin as the location for their maintenance facility. He stated he spoke with a representative from Air Wisconsin on Friday and they are still 60 90 days away from the process, they have not yet purchased the 75 regional jets. He stated upon public notice that they have purchased the jets they will begin the process for a maintenance base. He stated this will include a review of two existing maintenance bases they have to see if they can increase efficiency. He stated they will select five to seven communities from which they will request proposals.

Mr. Dobberstein stated he met recently with the FAA and NDSU regarding the proposed A&P School. He stated they are looking at partnering with Devils Lake Regional College in terms of being the signatory or the operating school for NDSU as they incorporate this into their aeromanufacturing program. He stated sometime within the next two to three weeks they will have an official meeting with the FAA. He stated there is a schedule they need to go through to set up a Part 141 operation. He stated the presence of that school would help our chances with the Air Wisconsin maintenance base.

Mr. Pawluk asked why this process is taking so long and asked if the program would be funded by NDSU.

Dr. Clark stated the program is not funded by NDSU as it is not an approved program on campus. She stated there is a process to approve programs which, unfortunately, moves very slowly. She stated partnering with Devils Lake is essential because NDSU does not do vocational programs. She stated the school would have a stopping point where it would be more of a vo tech program or students could go on for a four year degree. She stated she thinks the communication on this project has improved.

Other Business: (Continued)

Chairman Macdonald stated if we are going to pursue the Air Wisconsin contract, the cost to Air Wisconsin at the bottom of the contract will have to be zero. He stated we will probably have to offer them facilities at no cost and if we are not prepared to do that then we should not spend any time on it.

Mr. Pawluk asked if the school would play an important role in their decision to locate in Fargo.

Chairman Macdonald stated he did not feel it would play a major role but it would be part of the entire picture and would be helpful.

Mr. Dobberstein stated Air Wisconsin had already made their decision to consider Fargo, based on its proximity to Watertown and Thief River Falls and their A&P schools.

Mr. Dobberstein stated he does have a meeting with Fargo Cass County Economic Development representatives tomorrow.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 10, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:46 a.m.

Regular Meeting

Tuesday

April 10, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 10, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Clark, Pawluk, Macdonald

Absent: Kilander

Others: Stewart,

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 27, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held March 27, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$9,845.68:

Mr. Anderson moved to approve the airport vouchers totalling \$9,845.68.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Dr. Clark now present.

Approved the Individual Voucher to Mehl's Heating:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,403.70 to Mehl's Heating for payment request (final) for the Eastside Terminal Boiler Project.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to USDA/APHIS:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,484.50 to USDA/APHIS for wildlife assessment for the first quarter of 2001.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$23,335.62 to Flint Communications for partial payment request for airport marketing program.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$531.41 to The Forum for legal advertisement for bids for AIP Project 3 38 0017 25.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to T.L. Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$500.00 to T.L. Stroh Architects for payment request for professional service in connection with code review for the North Dakota Insurance Department on hangar #4, southeast general aviation area.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Continued Discussion Regarding Westside Terminal Business Center/Internet Kiosk:

Mr. Dobberstein stated we received informal proposals from wireless internet providers as requested by the board at the last meeting. Proposals were received from S&L Computer Services, Ideaone Telecom, AirFargo.com and Internet Park.

The proposals were received and filed without objection.

Chairman Macdonald stated there is quite a difference in the upfront equipment and installation charges.

Mr. Pawluk asked Mr. Darren Anderson to go over these proposals.

Mr. Darren Anderson stated he just received the proposal from Internet Park last night so he has not had a chance to call them and find out why they were so high in both their upfront costs and the monthly charge. He stated he did the spreadsheet showing the costs for 36 months but now feels that may be too long a period, since the industry is changing so rapidly. He stated we will probably be looking for something new two years from now.

Mr. Pawluk stated he likes the idea of having the least upfront costs.

Mr. Bob Anderson stated he also likes the idea of going with the lowest cost for 12 months.

Mr. Anderson moved the Airport Authority accept the proposal from S&L Computer Services for a 12 month period, see how it works and then possibly negotiate something.

Second by Mr. Pawluk.

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

Chairman Macdonald voted no.

Absent and not voting: Kilander

The motion was declared carried.

Received Communication from Executive Aviation and Aviation Resources Regarding Partial Assignment of Lease Request:

The communication dated March 29, 2001 was received and filed without objection.

Chairman Macdonald stated he received a phone call from Robert Hamilton last Friday indicating he would not be able to be at today's meeting. The request is to change the lease of Hangar #3 and the old administration building from Aviation Resources, Ltd. to Executive Aviation, Inc., with terms of the lease to remain the same. Chairman Macdonald stated personally he does not have any objection to this request.

Mr. Pawluk asked if there was any urgency with this request.

Mr. Dobberstein stated he talked to Dr. Hamilton and he did not indicate any urgency.

Chairman Macdonald stated this has been on the burner for a couple of months. He suggested the board approve the request, subject to the review and approval by Attorney Stewart.

Mr. Anderson moved to approve the request that the lease on Hangar #3 and the administration building be transferred from Aviation Resources, Ltd. to Executive Aviation, Inc., subject to review and approval by Attorney Stewart.

Second by Dr. Clark.

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

Receive FAA Communication Regarding FY2001 DBE Goal:

The communication dated March 30, 2001 from Cecilia Hunziker, Regional Administration, FAA, to Mark Holzer, ND Aeronautics Commission, was received and filed without objection.

The letter is in reference to the Disadvantaged Business Enterprise FY2001 goal for the Fargo Municipal Airport Authority. Based on their review of our goals for October 1, 2000 September 30, 2001, they have determined that the goal meets their standards.

Received Bid Tabulation For Runway 8/26 Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project, AIP 3 38 0017 25:

The bid tabulation was received and filed without objection.

Mr. Dobberstein stated Mr. Steve Synhorst, Ulteig Engineers, has prepared the bid tabulation, along with a letter of recommendation.

Mr. Pawluk moved to approve the award of the bids for both general construction and electrical construction to Nodak Contracting, as recommended by Ulteig Engineers, and also certify the contractor's DBE good faith efforts.

Second by Dr. Clark.

Mr. Synhorst stated the biggest difference in the low bidder (Nodak Contracting) and the other bidders was in the dirt work. He stated the difference was about \$500,000. He stated a lot of that came with the channel drainage excavation. He stated they are required to dig the drain ditch out first before they can fill the old one so that would require handling the dirt twice. He stated they found a way to take that dirt and put it into the runway project and do a circle type situation with trucks and scrapers rather than handling it twice. They will then take dirt from other areas to fill the ditch.

Mr. Synhorst stated the other big difference is the main concrete paving on the runway extension. He stated he went back and looked at historical bid prices we have had over the years on 16" concrete and they nailed it. He stated the difference there is about \$420,000. He stated Nodak really wanted this project.

Received Bid Tabulation For Runway 8/26 Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project, AIP 3 38 0017 25:  
(Continued)

Mr. Synhorst stated the FAA requires contractors to get quotes from Disadvantaged Business Enterprises. He stated the contract goal is 5.2% and if they do not get the 5.2% they have to document good faith efforts and show why they did not use a DBE. He stated there was a considerable amount of documentation and he did not provide the board members with copies but did forward it to Attorney Stewart for his review. He stated there are two major categories of work where Nodak could have used a DBE and those are seeding and the other is trucking. He stated in the seeding portion, the difference between the low DBE contractor and the low non DBE contractor was \$33,000 or 20%. He stated Nodak got quotes from DBEs on trucking and the difference in rates was \$5.00 \$5.50 per hour. He stated they were not able to get a DBE quote for the tandem work. He stated this was part of their documentation on why they did not use DBEs.

Mr. Synhorst stated they believe that Nodak made a good faith effort in attempting to secure DBE subcontractors.

Attorney Stewart stated he reviewed all of the material and apparently Nodak contacted 71 DBEs by telephone, as well as advertisements.

Mr. Anderson asked if there is any chance of this DBE issue coming back at some time in the future and we will be forced to pay more.

Attorney Stewart stated this is subject to the FAA's review, but if the Airport Authority makes a finding that the contractor made good faith efforts to use DBE subcontractors but the price differences were excessive or unreasonable he does not think the FAA would second guess the Airport Authority.

Mr. Synhorst stated he does recall a case at another airport a number of years ago where the FAA went back to the low bidder and strong armed them into using some DBEs to get at least some percentage of participation.

Mr. Pawluk stated he thinks we have to look at our past experience and the contractors that have been awarded contracts have all made a good faith effort to use DBE bidders. He stated we would have a hard time justifying to tax payers why we would award a project to someone who was more than 10% high only because of the DBE criteria. He stated he recommends we proceed with the award as recommended.

Mr. Anderson stated Nodak has done the best they can right now and we need to recognize that if the strong arm issue comes at some point in time we may be required to pay more.

Mr. Synhorst stated in his discussions with the FAA, they are not going to pay extra. Mr. Synhorst stated the one DBE that was raising the issue was bidding on the seeding portion. He stated another DBE called and questioned the procedures and when he finished his explanation and advised that there was a difference of \$33,000 she indicated she was not aware there was such a big difference.

Mr. Dobberstein stated he has no problem with Mr. Synhorst's recommendation to award the bid to Nodak Contracting.

Chairman Macdonald called for a vote on the motion.

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

Approved Ulteig Engineers Contract Amendment #1 Associated with AIP Project 3 38 0017 25:

Mr. Dobberstein stated at the last meeting we received the proposed amendment from Ulteig Engineers for the additional work associated with this project, basically the reconstruction of the intersection of Runway 8/26 and Taxiway A. He stated we sent the contract amendment to Mr. Mark Bittner, City Engineer, for his review and he found that the amendment would be in line with the contract. He stated Ulteig indicated a maximum of \$106,000 to do the work and Mr. Bittner's calculations showed \$122,000, so Ulteig is well under that.

Approved Ulteig Engineers Contract Amendment #1 Associated with AIP Project 3 38 0017 25:  
(Continued)

Mr. Pawluk moved to approve Amendment #1 to the Airport Authority's engineering contract with Ulteig Engineers, Inc. for AIP Project 3 38 0017 25.

Second by Dr. Clark.

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

Authorized Replacement of Food Steamer Unit for The Barnstormer:

Mr. Dobberstein stated the Airport Authority owns all of the equipment in the restaurant and they have requested a new food steamer unit. He stated Mr. Haug has provided prices and the unit they need would cost \$3,966.00, plus an additional \$250.00 for a table with caster wheels, for a total of \$4,216.00.

Mr. Anderson stated the restaurant is obviously a service to the public and the airport does not anticipate a return on this investment.

Mr. Pawluk stated he agrees the restaurant is a service to the public, and moved the Airport Authority approve the purchase of a food steamer for \$4,216.00.

Second by Mr. Anderson.

Chairman Macdonald stated he feels Mr. Haug has done an excellent job in a very trying situation.

Mr. Pawluk stated we have discussed some options with regard to remodeling the restaurant area, possibly making some changes along the line of a food court. He stated he feels we really need to make some plans on what the restaurant should become. He stated at best it is a break even deal for the Authority, but with all of the equipment provided it really is a subsidized operation, but it is such an important operation to the airport. He stated he does not know what the restaurant should be and where we would start. He stated we have had some discussions with Mr. Haug to the point where we have identified three airports that have something similar to what we would like put in place. He stated maybe that would involve a couple of us looking at some of those operations.

Chairman Macdonald stated he agrees with Mr. Pawluk and asked if he would be willing to serve on a subcommittee with another board member to work with Mr. Haug and an architect on some proposals.

Mr. Dobberstein stated that Darren Anderson took some pictures of the Cedar Falls airport about a year ago and shared those with Mr. Haug. He stated Mr. Haug talked with the airport directors in both Cedar Falls and Sioux Falls about their restaurant concepts. He stated they have both gone to a total fast food operation and no longer offer a full service restaurant. He stated the jury is still out in Sioux Falls, as they are still in a rural enough area where people like to have their sit down, full bacon and egg breakfast. He stated so far the airport has not made any money.

Mr. Pawluk stated he feels the restaurant could be more of an asset and service to the flying public than it is now, but he does not necessarily know what that is but he knows it could be more than it is now.

Chairman Macdonald asked Mr. Pawluk to head up that subcommittee and to chose another board member to work with him.

Mr. Pawluk stated the restaurant needs to be remodeled at this time anyway and before we do that we need to make other decisions on what kind of operation is needed.

Received Information from Flint Communications:

Mr. Dobberstein stated he received a letter from Christy McLachlan, Flint Communications, regarding a possible public relations initiative. He stated Mr. Roger Reiersen, Flint Communications, was at an airport in Texas recently and when he exited the parking lot they handed him a postcard with information on the airport. Estimated cost to print 10,000 cards, which would be more than adequate for one month, would be \$520.00.

Received Information from Flint Communications: (Continued)

Mr. Dobberstein stated his initial thought was the card proposed might be too large. He stated if the goal is to tune the travelling public into our website for easy access to information then maybe we could go with something smaller.

Mr. Pawluk stated he is not sure what the benefit would be. He stated if the purpose is to make people aware of the website he stated that also appears on most of the other advertising.

Mr. Anderson stated he does not know if handing them out to people as they are leaving the airport is the best option.

Mr. Pawluk stated \$520.00 does not seem like an expensive item in terms of the public relations aspect.

Chairman Macdonald stated he would not make it too small or it would be easier to throw away.

Dr. Clark stated if it was something the size of a business card she would probably be more apt to keep it since it could fit in a rolodex.

Chairman Macdonald stated if this is a suggestion made by a professional firm we have hired to handle our advertising then it is something we should consider. He stated maybe they could make a revised suggestion.

Mr. Anderson stated he would rather take that money and put it into a radio spot.

Mr. Pawluk recommended that Flint keep the ideas coming but table this one for now.

Mr. Dobberstein stated he would convey the board's comments to Flint.

Continued Discussion Regarding Proposed Eastside Terminal Generator Project:

Mr. Dobberstein stated he talked to Mr. Ron Hopfauf, ND Emergency Management, yesterday. He stated we obtained informal proposals for the installation of a generator for the Eastside Terminal.

Mr. Dobberstein stated that ND Emergency Management is trying to obtain from FEMA in Denver a definition of the mitigation amount identified. He stated the mitigation amount is capped at 15% of the entire loss. He stated the FEMA adjuster that was here indicated a gasoline generator. He stated we had proposed back to Emergency Management that regardless of what FEMA has specified we would install a diesel generator and apply the designated funds toward the project. He stated everything was fine until FEMA indicated they would give us the \$6,000 only if we installed a gasoline generator. He stated Emergency Management is trying to make the case with FEMA that we would be exceeding the requirement of mitigation.

Chairman Macdonald stated he feels we should continue to push FEMA on this matter.

Mr. Dobberstein indicated he is still working with representatives from the insurance carrier and the City of Fargo on the type of insurance required to cover such a loss. He stated there is a fine line between what is covered by flood insurance and what is covered under our building insurance and he is still waiting for some definitive answers.

Mr. Pawluk stated the insurance reimbursement is just part of the picture. He stated we need to take the best course of action to protect the building from another similar loss regardless of what FEMA or ND Emergency Management does. He stated we need to select a course of action.

Mr. Pawluk moved the Airport Authority authorize the installation of the external natural gas generator of the minimum size to protect the building against freeze up and flooding.

Second by Mr. Anderson.

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

Received Communications from the ND Department of Insurance Regarding Southeast General Aviation Area Hangar Project and Soil Removal:

The communication from the North Dakota Department of Insurance dated April 2, 2001, was received and filed without objection.

Mr. Dobberstein stated that when we began the southeast general aviation hangar project we uncovered some petroleum contaminated soil and incurred some additional expenses. He stated after negotiations with all parties involved, the ND Insurance Department will reimburse the Airport Authority \$43,919.50 under the Petroleum Tank Release Compensation Fund, which was the majority of our expenses.

Mr. Dobberstein stated he received a communication from Mr. Jeff Bitz, ND Department of Insurance, dated April 4, 2001, in which he states that after further review of the July 4, 1999 wind loss to Hangars #2 and #4, the State Fire and Tornado Fund paid demolition costs based on the percentage of damaged vs. undamaged portion of building for Hangars #2 and #4. In regard to Ordinance or Law Coverage Increased Cost of Construction, they found the information provided by T.L. Stroh Architects, Ltd. supported \$70,000 in increased cost of construction due to code upgrade requirements for Hangar #4 as being sufficient to support an additional payment of \$50,000. This is the maximum aggregate limit per occurrence per policy for increased costs under the Ordinance or Law Endorsement.

Mr. Dobberstein stated this information has also been forwarded to FEMA through ND Emergency Management and will hopefully open up some additional funds for Hangar #4 and Hangar #2. He added that this process could continue into this fall.

Other Business:

Chairman Macdonald stated that Fargo submitted a preliminary proposal to Air Wisconsin for their proposed maintenance facility. He stated he wanted to compliment Terry Stroh on his drawings.

Mr. Pawluk stated he would like to commend Mr. Dobberstein and his proactive efforts to support this idea and come up with some options.

Mr. Dobberstein stated Fargo Cass County Economic Development is gathering further information pertinent to this project. He stated this information has been provided to Senator Dorgan so he can contact Geoff Crowley, Air Wisconsin. He stated this information contains no specific numbers at this time but hopefully we can get our foot in the door early.

Mr. Dobberstein stated about a year ago the soccer group was before the Airport Authority with a request to place a large directional sign somewhere on the airport pointing people to the soccer complex. He stated at that time the board indicated they would not approve a sign that would advertise any corporate sponsors, as that has been our policy in the past.

Mr. Dobberstein stated they are now proposing a granite sign reading "Pepsi Soccer Complex."

Attorney Stewart stated the Airport Authority had requests in the past for billboards and the requests were denied.

Chairman Macdonald stated his feeling is the sign should be no different than the other directional signs which are green signs with white letters.

Mr. Pawluk stated the only good argument against not allowing a directional sign stating "Pepsi Soccer Complex" is if it can be interpreted as being advertising.

Chairman Macdonald stated he feels that would be more than needed to direct people to the soccer complex.

Attorney Stewart stated if the actual name of the soccer complex is the "Pepsi Soccer Complex" and the letters are all the same size then it would not be construed as advertising.

Other Business: (Continued)

Chairman Macdonald stated he would not have any objection to allowing a green and white directional sign stating "Pepsi Soccer Complex" but he does object to placing the granite sign proposed.

Mr. Dobberstein stated the board does not have to take official action. The soccer group was looking for the board's input.

Mr. Pawluk stated he would like an update from Master Construction on the project in the southeast general aviation area.

Mr. Synhorst stated the frost is not yet out of the ground but he will be contacting them soon. He added that with all of the moisture last fall it will take a long time for the area to dry.

Mr. Dobberstein stated he would guess that completion will not be until July 1.

Mr. Pawluk stated he would like a representative from Master Construction at our next meeting.

Mr. Synhorst stated he would contact Master Construction and arrange for someone to attend the next meeting.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 24, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:17 a.m.

Regular Meeting

Tuesday

April 24, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, April 24, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Pawluk, Anderson

Absent: Kilander, Macdonald

Others: Stewart, Bromenschenkel

Vice Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held Tuesday, April 10, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held April 10, 2001 were approved without objection.

Approved the Airport Vouchers Totalling:

Mr. Pawluk moved to approve the airport vouchers totalling \$7,984.16.

Second by Dr. Clark.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$11,826.44 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension, Project AIP 3 38 0017 24.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$5,682.64 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Cass County Drain 10 Box Culvert Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$1,151.00 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with PFC Application #3.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.;

Dr. Clark moved to approved the individual voucher in the amount of \$1,464.62 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Eastside Terminal Generator Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Dr. Clark moved to approve the individual voucher in the amount of \$304.90 to Foss Associates for architectural services in connection with a project estimate for a partition in the FAA/FSDO Office, Eastside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Mehl's Heating:

Dr. Clark moved to approve the individual voucher in the amount of \$8,978.00 to Mehl's Heating for payment request for installation of vacuum/boiler feed, Eastside Terminal Boiler Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Macdonald

The motion was declared carried.

Received First Quarter 2001 PFC Report:

The PFC report for the first quarter 2001 was received and filed without objection.

Received Update on South General Aviation Area Paving Project:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated that we have finished all of the underground work on this project and we now have to replace the paving that was removed. He stated last fall we had a lot of rain and we are not able to finish the project but the contractor, Master Construction, came in and put in crushed concrete to provide temporary access. He stated we now just need some dry weather to finish the paving.

Received Update on South General Aviation Area Paving Project: (Continued)

Mr. Fred Schlanser, Master Construction, was recognized and stated we will be in pretty good shape if we get some good weather. He stated Camas will be providing the asphalt and this job is a first priority for them. He stated typically they don't fire up the asphalt plants until the first week in May so we will probably get started a week after that before they can begin. He stated the dirt work can be done as soon as it dries up but the snow we got yesterday did not help.

Mr. Pawluk asked how many days of work are left on this project.

Mr. Schlanser stated he suspects there is probably 4 5 days of prep dirt work and then probably another four days for the base course. He stated after the base course we would leave that for 2 3 days and add the wear course. He stated once we get in there and get started it will take about two weeks. He stated if the weather cooperates they expect to be done June 1.

Received Update Regarding Cass County Road 20 Corridor Study:

This item was tabled until the next meeting.

Received Communication from Hertz Car Rental Regarding Additional Parking Needs:

Mr. Dobberstein stated he received a letter dated April 5, 2001, from Mr. Steve Hansen, Hertz Car Rental, regarding the car rental parking at the airport. He stated this is a repeat request from about a year and a half ago. He stated this request also ties in with the next item on the agenda regarding auto parking lots. Mr. Dobberstein stated Mr. Mark Hovde is here representing Hertz.

Mr. Dobberstein stated the need for additional parking can definitely be seen on the weekends. He stated the rental agencies park cars along the grass areas and in the maintenance shop parking lot.

Mr. Dobberstein stated last fall the Airport Authority looked at some various options for an additional car rental parking lot. He stated what we would be considering is the extension of the existing ready lot, as the goal is to provide them with more space for their ready lot.

Mr. Dobberstein suggested this communication be received and filed and we include this discussion in the next item.

The communication from Hertz Car Rental was received and filed without objection.

Authorized Preparation of Plans and Specifications for Construction of Additional Auto Parking Areas and Rehabilitation of Existing Auto Parking Lots:

Mr. Dobberstein stated this item is a combination of the letter we received from Hertz Car Rental and also a request from the Fargo Air Museum. He stated the Fargo Air Museum board of directors met last week and discussed the paving of their parking lot adjacent to the museum. Mr. Dobberstein stated he wanted to tie together all of the paving needs on the airport before bringing the request to the board.

Mr. Dobberstein stated Mr. Steve Synhorst, Ulteig Engineers, has prepared an opinion of cost for parking lot improvements for seven parking lots.

Mr. Dobberstein stated Lot #1, which is the new overflow lot for the car rental agencies, which would be new construction, would cost approximately \$111,043. This lot would contain 125 parking spaces.

Mr. Dobberstein stated there are some existing lots near the Westside Terminal area that need a sealcoat and striping. He stated those would be Lot 3 (car rental ready lot) and Lot 4 (employee parking lot).

## Authorized Preparation of Plans and Specifications for Construction of Additional Auto Parking Areas and Rehabilitation of Existing Auto Parking Lots: (Continued)

Mr. Dobberstein stated Lot #2 would be a new ready lot which would be in the small grass area next to the existing ready lot. He stated this would provide the car rental agencies with about 30 additional spots, which would be an expansion of their current ready lot.

Mr. Dobberstein stated Lot #5 would be additional employee parking space. He stated our employee parking lot is presently very full. He stated there are days when at the time of shift change that there are only about five available spots. He stated he is proposing about 50 space in the area across from the present lot. He stated we allow commuting pilots and flight attendants for United, Northwest and Mesaba to park in the employee lot. He stated the APCOA lot has an arrangement for employees of other airlines.

Mr. Dobberstein stated Lot #6 ties into the parking lot paving being done by the air museum. He stated this is the parking lot area along the hangars by the 19th Avenue entrance. He stated the museum has requested that the Airport Authority consider paving from the east edge of the air museum to the west. He stated they would also like the asphalt extended as far south toward 19th Avenue as the City would allow. He stated the Air Museum would then pave everything on the east side of their hangar to 19th Avenue and toward 16th Street and their parking lot. He stated the pavement we would be replacing is over 20 years old and is in bad condition.

Mr. Dobberstein stated he will review Victor Gelking's lease and he may be responsible for 6 8 parking spaces. He stated he will also review Mr. Bill Wiemann's lease. He stated Mr. Wiemann does not lease the parking lot, however, it is there for his customers' use. Mr. Dobberstein stated the estimated cost for this would be \$88,040.50.

Vice Chairman Anderson asked how many parking spaces this would provide.

Mr. Dobberstein stated there would not be that many parking spaces but rather more of a drive or an access point. He stated he thinks it would be 20 40 cars.

Mr. Pawluk stated he thinks there would be room for more like 100 cars.

Mr. Dobberstein stated the last item, Lot #7, is all of the remaining paving in the south general aviation area which is not covered under the Master Construction contract. He stated there is a lot of paving in that area which was not disturbed by the project but needs to be replaced or overlaid. Estimated cost for this items is \$318,037.50.

Mr. Dobberstein stated total estimated cost for these seven items, including engineering costs, is \$741,773.00.

Mr. Dobberstein stated the timing on this project is kind of awkward, as the Air Museum would like their lot finished by mid June. He stated he would like the board to authorize taking this to the next level, authorizing plans and specifications and advertise for bids. He stated if he had to place priority on what needed to be done first it would be the 19th Avenue area by the museum, the car rental overflow lot and the resealing of the two existing lots. He stated if we had to put anything on hold for a year because of cash flow it would be the additional employee lot and the new ready lot expansion.

Mr. Pawluk stated one parking lot we have not discussed is the expansion of the long term lot. He stated the proposed parking plans for the car rental agencies make sense and it seems we have no choice, however, we also need additional long term parking and it would be nice if we could accomplish both in one area. He stated he realizes location is a problem but do we have any thoughts on how to make to two uses compatible.

Mr. Dobberstein stated the problem we have had in long term, and it is a good problem to have, is that we have been taxed for space during the charter season. He stated he will be meeting with APCOA at the AAEE Conference in May as they plan on coming before the board in June or July proposing to expand the long term lot in exchange for a lease extension.

Authorized Preparation of Plans and Specifications for Construction of Additional Auto Parking Areas and Rehabilitation of Existing Auto Parking Lots: (Continued)

Mr. Dobberstein stated as far as using part of an expanded long term lot for rental car parking, we would have to address the matter of the rental cars being able to park in that area without having to exit through the pay booth.

Mr. Dobberstein stated he would like authorization for Ulteig to draft plans and specifications, advertise for bids, and then bring bids to the board for the seven lots outlined. He stated the worst case scenario is we could take the unit cost and execute a change order for the APCOA lot. He stated he does not know if we can afford all seven but he does think we need to place a priority on the 19th Avenue area and the overflow lot, which could become an expansion of the car rental lot.

Mr. Pawluk stated he would like to look at that further. He stated he does not know that we need to do all of the proposed paving in the Eastside Terminal area there as our parking lot needs there are not what they used to be. He stated we may want to turn some of that area into grass.

Mr. Pawluk asked if anyone in the south general aviation area pays for parking.

Mr. Dobberstein indicated that no one in the south general aviation area pays for parking.

Mr. Pawluk stated he does not feel it would be appropriate for us to charge Mr. Gelking for doing the parking lot in front of his building.

Mr. Dobberstein stated the only reason for that would be if Mr. Gelking leased the area exclusively for his needs. He stated Mr. Gelking requested a certain number of spaces just for his use. He stated he did not want other people with hangars in that area parking in his lot.

Mr. Pawluk stated that asphalt area serves the needs of the aviation community just the same as the other asphalt does and he does not feel anyone should be singled out.

Mr. Pawluk moved the board authorize Ulteig Engineers to prepare plans and specifications and seek bids on Lot 6 (Reconstruct Parking Lot Along 19th Avenue) and to bring that information to the board at our next meeting, and that we also authorize plans and specifications on the other six lots as well.

Second by Dr. Clark.

Mr. Jim Sweeney, Fargo Jet Center, stated leases for the tenants in the north general aviation area require that they do all of the upkeep on those parking lots, as well as paying for a portion of the construction costs. He stated he feels if the board is attempting to achieve lease uniformity then if a tenant has exclusive parking areas that they have the same requirements.

Mr. Pawluk stated that was a good point.

Mr. Dobberstein stated previous board members set a policy requiring that the north general aviation area tenants reimburse the Airport Authority, over a 20 year period, for the parking areas. They also chose to provide the parking areas in the south general aviation area as it has been there. He stated if this board wants to change that policy then we would have to go back through with special assessments and assess those to the tenants. He stated he feels that would be opening a can of worms.

Mr. Mark Hovde, Hertz, stated he would not like to see the importance and urgency of the additional car rental agency parking areas.

Mr. Anderson asked Mr. Synhorst if it is possible to get bids by the next meeting on May 8.

Mr. Synhorst indicated it would not be possible with advertising requirements.

Vice Chairman Anderson stated Ulteig will move ahead with the plans, specifications and advertising and we will research the other options.

Vice Chairman Anderson called for a vote on the motion.

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

Reviewed Updated FAA Airport Capital Improvement Program:

Mr. Dobberstein distributed a copy of the annual request from the FAA to the North Dakota Aeronautics Commission for all airports to submit their Airport Capital Improvement Programs for fiscal years 2002 through 2004 and all estimated development for years 2002 through 2011 without financial limitations.

Mr. Dobberstein stated with regard to the Runway 17/35 Reconstruction and 400' Extension scheduled for 2004 2005, we were recently advised by Mr. Tom Schauer, FAA Airport District Office, that the FAA wants us to reconstruct the entire width and length of the runway, rather than the center 90 100 feet as we had planned since the outer edges are in good condition. He stated their rationale is that we will not have to come back in 15 20 years and replace the outer edges. He stated this changes the cost of the project from about \$7 million to \$20 million, which includes the land acquisition and centerline lighting, plus the \$2.2 million for related items in 2003.

Dr. Clark moved to receive and approve the Airport Capital Improvement Program as presented.

Second by Mr. Pawluk.

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

Discussed May Meeting Dates:

Meeting dates for May were set for Tuesday, May 8 and Tuesday, May 29, 2001.

Other Business:

Mr. Dobberstein stated Mr. Rick Lane, City Traffic Engineer, was scheduled to be here today to discuss Item #6 on the agenda, the Cass County Road 20 Corridor Study. He stated this afternoon he has a meeting with the Public Works Progress Evaluation Committee. He stated METROCOG had requested that the Airport, County and City get together one more time to discuss the proposed improvements to the Cass County 20 Corridor before they go back to a public meeting sometime in the near future. He stated we were going to focus in on the short term improvements the City would be doing in the next few years as far as intersections. He stated one of the short term improvements in the next few years will be additional turn lanes, for which the Airport will be assessed part of the cost. The estimate he was given was \$100,000.

Mr. Dobberstein indicated he would be getting more information at the meeting this afternoon and Mr. Rick Lane will be at our next meeting.

Mr. Pawluk stated he still has concerns over the issue of inadequate pedestrian crosswalk provisions across 19th Avenue to and from the Fargodome.

Mr. Dobberstein stated Mr. Lane will be at our next meeting and we can address that issue then.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 8, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:05 a.m.

Regular Meeting

Tuesday

May 8, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 8, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald

Absent: Clark

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting Held May 8, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held April 24, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$21,980.47:

Mr. Pawluk moved to approve the airport vouchers totalling \$21,980.47.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,623.63 to Flint Communications for partial payment request for airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Continued Discussion Regarding Cass County 20 Corridor Study:

Mr. Dobberstein stated this afternoon there is a meeting of the Public Works Progress Evaluation Committee (PWPEC) and they will want to get a sense from the entities involved in the County 20 Corridor Project in terms of short and long range improvements and the possible financial participation of those entities (Cass County, City of Fargo, Airport Authority, State of ND, etc.)

Mr. Dobberstein stated with us today are Rick Lane, City Traffic Engineer, and Brian Shorten, METROCOG. He stated the main thing we want to convey to PWPEC today is that we will expect some assessment for the proposed improvements that will impact the airport positively.

## Continued Discussion Regarding Cass County 20 Corridor Study: (Continued)

Mr. Brian Shorten, Executive Director of METRO COG, was recognized and stated Mr. Dobberstein has been an active member of the corridor committee. He stated there are a number of issues, both safety and operational, that generated the need for both short and long range improvements along County 20. He stated the two counties will be improving the bridge over the river in 2003 at a cost of \$2.5 million.

Mr. Shorten stated Mr. Dobberstein has explained to the Airport Authority some of the proposed short range improvements, which are expected to cost approximately \$3.5 million. He stated the short range improvements are primarily for improving intersections, left and right turn lanes, access closures and new access points, possible signal lights and possible signage improvements. He stated the long range improvements are more significant and are estimated at \$17 million. He stated those are probably 10 to 20 years down the road. Mr. Shorten stated the major issue for the airport is the realignment of County 20 to accommodate for airport growth.

Mr. Shorten stated we are nearing the end of the study process. He stated a public meeting was planned but with the flood they have moved that back to probably later in May. He stated there was good public participation in the two earlier public meetings. Mr. Shorten stated he would like to turn the floor over to Mr. Rick Lane.

Mr. Rick Lane was recognized and stated we are looking at doing the short term improvements in the next three to five years, which are more safety improvements and minor access improvements, which would provide for the next ten years or so. He added that the federal aid projects are already scheduled out to 2007. He stated they looked at the possibility of bringing federal funds in sooner for this project but it doesn't look like that will happen. Mr. Lane stated the estimate for the short range improvements is \$3.1 million and \$14.5 million for the long range projects. He stated no one would want to jump into a \$14 million project without some federal aid.

Mr. Lane reviewed some of the graphics and indicated these were not final drawings. He stated the major improvements will be west of 32nd Street with an additional lane to accommodate truck movements and accelerations, as well as a series of left turn lanes. He stated there will also be some relocations of access points. He stated that Mr. Steve Grabill, Ulteig Engineers, met with all of the property owners in that area and listened to their concerns.

Mr. Lane stated the major problem west of 31st Street is the truck traffic coming out of the Border States Paving area. He stated the trucks come out and it takes a while for them to get going and with 50 mph traffic coming at them it does create a hazard.

Chairman Macdonald stated it would appear to him that any specials assessed should be 75% to the airport and the remaining 25% to those property owners north of the Armed Forces Reserve Center.

Mr. Lane stated he thinks that is a pretty good estimate of how it would come out. He stated they have not actually gotten down to breaking out the assessed costs. He stated the long term project will cost less in local dollars than the short term project.

Mr. Pawluk stated the ultimate completion of any of the proposed alternative is really to the benefit of the public more so than the airport. He stated the benefit to the airport is the realignment portion. Mr. Pawluk stated the short term improvements will benefit the other property owners along County 20 more than they will benefit the airport and he does not think the airport should pay the majority of those costs.

Mr. Lane stated the county still has jurisdiction over this roadway and they would be the lead agency on this project. He stated the difficult question will be distribution of costs.

Mr. Shorten stated that is one issue that will be covered at the meeting this afternoon. He stated they would like some direction from the Airport Authority today to take to the meeting this afternoon.

## Continued Discussion Regarding Cass County 20 Corridor Study: (Continued)

Mr. Pawluk stated the Airport Authority owns a lot of the land that surrounds the airport and there is no intention of developing this land, it was purchased for the purpose of protecting the boundaries of the airport. He stated as the improvement project are done, such as the water and sewer project along County 20 last year, the airport ends up assuming a lot of those specials but the property, since it is not developed, does not benefit from the improvements. He stated the proposed improvements to County 20 will benefit the property owners north and south of the road but the primary benefit will be to the general public using that road.

Mr. Lane stated that is why this project would qualify for federal funds. He stated for the short term improvements we are trying to come up with a funding package so that it isn't all airport funds. He stated the funding is the key issue. He stated identifying the traffic concerns is the easy part.

Mr. Anderson stated he does not see that we would have to decide on an alignment option now for a project that will not happen for 10 15 years. He stated as long as the airport is protected and we will certainly have a say in the alignment as we own the land. He stated he agrees the improvements should move forward but the alignment is for the future.

Mr. Shorten stated the long range planning does have some value in that property owners and future property owners are advised of the long range plans so they cannot come back and say they did not know anything about this project.

Chairman Macdonald stated he is not as concerned with the long range plan as he is the short range improvements and he would like to see those done even sooner.

Mr. Lane stated he would not disagree, however, just the project planning would put us at least a year and a half out. He stated a lot of it will depend on the funding package and if we can put the funding together we could start earlier.

Mr. Steve Grabill stated if funding allowed the short term improvements to be done in 2003 that would be ideal, as that is when the bridge is being replaced.

Chairman Macdonald asked who would be the cause for the delay, as the airport would not delay the project.

Mr. Lane stated it is not that anyone is interested in delaying the project, it is just a matter of when funds are available.

Mr. Pawluk stated he thinks we are all in agreement that this is an important project, but yet the people who decide who receive the federal funds have decided this is not an important project.

Mr. Lane stated it is not that they don't think this project is important. He stated they plan the projects five to seven years in advance and the funds are earmarked that far in advance.

Mr. Pawluk stated the county has done some improvements on the road in the past but this has been a problem for the last three to five years.

Mr. Kilander stated the urgency being caused here is not being caused by the airport's side of the road. He stated the urgency is being caused by all of the expansion suddenly happening on the north side of County 20. He stated the greatest amount of benefit is going to public safety because of that expansion. He stated the airport buys land around the airport to protect the public from noise and unwise growth, and then we become a public conduit between Public Point A and Public Point B and it has to get through somehow so the airport ends up carrying the burden to get it through because we bought land on the other side of the road to protect people.

Chairman Macdonald stated the problem is not so much our funding it because if this one had been done right we would be picking up 90% of this with FAA funds. He stated part of the problem is the sense of urgency, not long range planning, that they did not going into this improvement as we have in the corridor study so we are not eligible for federal funds for the short term.

## Continued Discussion Regarding Cass County 20 Corridor Study: (Continued)

Mr. Lane stated there just are not any federal funds available at this time. If the Airport Authority wants this put in as a project concept report and request federal funds, the Highway Department will put this on their list and identify some funds for 2007 or 2008. He stated the general growth in the area has been faster than anyone had anticipated.

Mr. Pawluk stated he hopes the message that is getting out is that the airport supports the growth, we support the realignment and the short term improvements, however, we do feel that we end up paying more than our fair share and as a tax supported institution that is a concern for us. He stated he does suggest that any plans being shown to the public should include the future north/south runway and the extension of Runway 17/35. He stated the extension of Runway 8/26 is shown.

Chairman Macdonald stated speaking for himself, not on behalf of the Authority, he is convinced that we should use all effort we can to do these short term improvements in 2003. He asked Mr. Lane how the airport could give impetus to that.

Mr. Lane stated he would like to see three things; 1) the Airport Authority recommend the short range improvements be in place by 2003, 2) the Airport Authority recommend and accept either Option A or B for the realignment of Cass County 20, and 3) that the Airport Authority express its concerns over the funding of these projects. He stated that information needs to get back to the public works committee.

After further discussion, Mr. Pawluk moved the following:

- 1)The Airport Authority recommends the short range improvements, as detailed today, be in place by 2003
- 2)The Airport Authority recommends and accepts either Option A or Option B for the realignment of Cass County 20,
- 3)The Airport Authority request a funding breakout before giving final approval on these projects.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Mr. Lane stated they will continue to keep Mr. Dobberstein involved in the process. He stated this was a good step today to show the Authority's support of the improvements. He added that if they need anything else they will be back before the board again.

The draft County Road 20 Corridor Study was received and filed without objection.

Mr. Dobberstein stated another County 20 issue he would like to bring up is the matter of the increased size of the culvert at County Drain 10.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated rather than increasing the size of the culvert, a second culvert would be added.

Mr. Dobberstein stated we had also discussed the issue of 19th Avenue crosswalks at the last meeting and asked Mr. Lane to comment.

Mr. Lane stated they have had discussions with the Dome Authority about this before and the location of a crosswalk would be at the intersection of 16th Street and Albrecht, which goes through campus. He stated during the big dome events that signal would be turned off anyway as they go to officer control during the big events. He stated the rest of the time the pedestrian traffic does not warrant a crosswalk.

Chairman Macdonald asked how about a light that is controlled by pedestrians.

Mr. Lane stated in order to meet the guidelines for that type of light you need to have at least 100 pedestrians per hour for eight hours, since 19th Avenue is a federal aid highway.

Continued Discussion Regarding Cass County 20 Corridor Study: (Continued)

Mr. Dobberstein stated the Air Museum has requested information regarding 16<sup>th</sup> Street between 19th Avenue and 23rd Avenue North and whether parking will be banned on one side or the other at some time in the future.

Mr. Lane stated a request from the Airport Authority could take care of that.

Mr. Dobberstein indicated he would pass that information on to the Museum.

Mr. Dobberstein stated that Chairman Macdonald wrote a letter to the Highway Department making them aware of the poor condition of the underpass on 19th Avenue North between I 29 and Dakota Drive.

Mr. Shorten stated they had been contacted last week with information that the project in the amount of \$300,000 had been approved and would be completed in 2003.

Authorized Attendance at the Airfield Lighting Safety/Maintenance Seminar, July 17 18, Bloomington, MN:

Mr. Dobberstein stated we would like to send two of the airfield maintenance staff too this airfield lighting safety/maintenance seminar.

Mr. Kilander moved to authorize attendance at the Airfield Lighting Safety/Maintenance Seminar, July 17 18, Bloomington, MN.

Second by Mr. Anderson.

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

Received Information Regarding AIP Grants 22 and 23, Project Closeouts and Related Contract Amendment:

Mr. Steve Synhorst, Ulteig Engineers, stated AIP Grants 22 and 23 are ready for project closeout. He stated any time we go over any items in the contract we have to have an amendment. He stated we went over in the inspection portion of Grant 22. He stated the original contract total for the two projects was \$126,340.90 and the final was \$124,203.99.

Mr. Anderson moved to approve the contract amendment to AIP Grants 22 and 23.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Discuss Airline Lease Agreement Renewal Process:

Mr. Dobberstein stated since 1986 when this facility opened, we have continued to extend the airline operating agreements with the various airlines. He stated right now those are with Northwest Airlines and Atlantic Coast. He stated last year both airlines requested that at the end of this lease year they would like a new operating agreement, since the bonds for the building will be paid off this June.

Mr. Dobberstein stated that traditionally the Executive Director, Attorney and one or two board members have been part of that negotiating team. He stated he does have some ideas in terms of what the board has discussed with the airlines before in the form of a reduction of terminal rent. He stated once the designated committee comes up with an initial proposal for the airlines they will in turn go through the lease and propose any desired changes.

Discuss Airline Lease Agreement Renewal Process: (Continued)

Chairman Macdonald stated now that the building is paid off it is time to think about our remodeling funds and building those up. He stated he is sure they will be receptive to that.

Mr. Kilander moved the Airport Authority appoint Mr. Dobberstein and Attorney Stewart to the lease renewal committee and that the two members appointed be at the discretion of Chairman Macdonald.

Second by Mr. Pawluk.

Chairman Macdonald stated he would like to serve on the committee for the main reason that the airlines always bring up the subject of the Guard and he knows enough about that to make an accurate representation.

Mr. Pawluk suggested that Mr. Kilander, with his commercial real estate background, would be an appropriate person to serve on that committee.

Mr. Kilander stated he would be happy to serve on that committee.

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

Receive Update on Airport Construction Projects:

Mr. Dobberstein stated Mr. Terry Stroh was not able to be here today to update us on the hangar project. He stated they are working with Olaf Anderson on getting the exterior paint contractor started in the next few days.

Mr. Anderson stated they have to wait until the paving work is done so that once they start they can go around the entire building. He stated Master Construction was working on their project but then it rained.

Mr. Synhorst stated Northern Improvement is wrapping up the Air Museum and is supposed to get the painting done in the next day or two and do the final grading to the area and start seeding. He stated they were also starting on the finalization of the perimeter road but the rain has slowed that up as well.

Mr. Synhorst stated there is a pre construction conference this afternoon for the big project and Nodak is supposed to be mobilized on Monday and start on Tuesday morning.

Mr. Dobberstein stated the generator for the Eastside Terminal has been ordered and should be installed in the next three to five weeks.

Other Business:

Chairman Macdonald stated we received a letter of appreciation from Mr. Jim Swenberger, Fargo Control Tower, dated April 26, 2001, in appreciation of the efforts of Mr. Shawn Dobberstein and the Airport Authority to improve runway safety at Hector Airport. Over the past two years the Authority has provided training for all airport users, participated in user meetings, assisted in the development and use of the Surface Incident Prevention Plan, and acquired funding to construct two perimeter roads on the airport. According to Mr. Swenberger, this team effort has been a key element in the improved runway safety over the past two years.

The memorandum was received and filed without objection.

Other Business: (Continued)

Mr. Jim Sweeney was recognized and stated he attended the National Air Transportation Association meeting last week in Long Beach, CA. He stated this is the association of FBOs along with a couple of other trade groups. He stated one of the awards given out was an FAA Customer Service Award and out of 22 Flight Standards District Offices in the country the Fargo FSDO was the award recipient this year. He stated Mr. John Kline was there representing the office and received the award.

Chairman Macdonald asked Mr. Dobberstein to send a letter of congratulations to the Fargo FAA Flight Standards District Office.

Mr. Dobberstein stated the ND Aviation Council has voted 8 6 to hold the Upper Midwest Aviation Symposium in Bismarck next year.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 29, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:27 a.m.

Regular Meeting

Tuesday

May 29, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 29, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald

Absent: Clark

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting Held May 8, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held May 8, 2001, were approved without objection.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,589.85 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the parking lot plans/specifications.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$3,850.35 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Safety Area Drain #10 Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$8,193.53 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Extension, AIP 24 Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,587.64 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP 25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk, and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Mehl's Heating:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,426.00 to Mehl's Heating for payment request for boiler condensate lines in the Eastside Terminal.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Dakota Food Equipment:

Mr. Anderson moved to approve the individual voucher in the amount of \$4,173.00 to Dakota Food Equipment for the purchase of a food steamer, Barnstormer Restaurant.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,861.25 to Nodak Contracting for Partial Payment Request #1 for electrical construction of the Runway 8/26 Extension, West Perimeter Road, Taxiway A Extension, Project AIP 25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$107,030.70 to Nodak Contracting for Partial Payment Request #1 for general construction of the Runway 8/26 Extension, West Perimeter Road, Taxiway A Extension, Project AIP 25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to S & L Computer Service:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,043.36 to S & L Computer Service for installation of the business center wireless communications system.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Brown & Saenger:

Mr. Anderson moved to approve the individual voucher in the amount of \$10,122.00 to Brown & Saenger for the purchase of business center furniture, Westside Terminal.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Accepted FAA Grant Offer, Project 3 38 0017 25, Runway 8/26 and Taxiway C Extension:

Mr. Dobberstein stated we have received the FAA Grant Offer for Project 3 38 0017 25, Runway 8/26 and Taxiway C Extension. Mr. Dobberstein stated this project will require multi year funding of approximately \$4,522,177, which does contain a little over \$600,000 in discretionary funding.

The communication from the FAA Airports District Office was received and filed without objection.

Mr. Pawluk moved to accept the FAA Grant Offer for Project 3 38 0017 25 and authorized the chairman and attorney to sign the grant offer.

Second by Mr. Kilander.

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

Received North Dakota Aeronautics Commission Grant Award:

The communication from the North Dakota Aeronautics Commission dated May 15, 2001, was received and filed without objection.

Mr. Pawluk moved to accept the grant award in the amount of \$175,000 from the North Dakota Aeronautics Commission.

Second by Mr. Kilander.

Mr. Pawluk asked if this was a particularly generous award.

Mr. Dobberstein indicated it was. He stated he thought if we received \$75,000 we would be doing well. He stated the Aeronautics Commission had about \$600,000 to distribute to the eight commercial service airports. He stated our request always far exceeds the amount we receive.

Chairman Macdonald called for a vote on the motion.

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

Received Communication from EideBailly Regarding Tenant Financial Review and PFC Account Audit:

Mr. Dobberstein stated the communication from EideBailly was not received.

The item was tabled until the next meeting.

Approved Plans and Specifications for Proposed Parking Lot Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated he has not been able to complete all of the plans but most of them are ready. He stated we have submitted the advertisement for bids and the first advertisement will be in the paper on June 4. He stated all of the parking lots will be bid separately so that we can pick and choose what we want to do.

Mr. Synhorst reviewed the specifics on each of the parking lot areas.

Mr. Synhorst stated as of now there are still some contractors looking for asphalt paving projects so the bids should be good.

Mr. Dobberstein stated if the bids come in acceptable then we should prioritize the items and complete the lot by the museum first.

Mr. Synhorst stated the important action to be taken today is to approve the plans and specifications and authorize advertisement for bids. He stated final details can be worked out later.

Mr. Kilander moved to approve the plans and specifications for the proposed parking lot projects and authorize advertisement for bids.

Second by Mr. Anderson.

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

Mr. Synhorst stated Master Construction has completed the paving in the south general aviation area and are doing what they can to finish the project working with the rain delays.

Received Update from Mr. Bernie Ness Regarding Proposed South General Aviation Area:

Mr. Dobberstein stated last July the board approved the concept of Mr. Ness's proposed hangar in the south general aviation area between the Northwest Hangar and the igloo structure. He stated the hangar will be 75'x75' and the ground lease will be for the footprint of the building plus five feet. The term of the lease would be 20 years to be effective the first day of the month that construction begins.

Mr. Dobberstein stated the hangar would be constructed as far west as possible in order to leave available space for future construction of a large hangar. Mr. Dobberstein stated the FAA's airspace study was completed last year and there was no objection.

In answer to a question from the board, Mr. Ness stated he prefers the hangar to be white. He added that he plans to start construction mid July.

Received Communication from Federal Aviation Administration Requesting Renewal for Eastside Terminal Office Space and Considered Request to Modify and Office:

Mr. Dobberstein stated the FAA's lease expires at the end of their fiscal year which is September 30, 2001. He stated traditionally in the past we have just extended those leases for five year periods. He stated this lease is for the Flight Standards District Office and the request to extend the lease for the FAA Airway Facilities Office should be forwarded shortly.

Mr. Dobberstein stated he did propose a rate increase from \$9.00 per square foot to \$10.00 and they did accept that.

Mr. Dobberstein stated this lease is the standard government lease the FAA uses for all of their leased properties. He stated the lease term will be October 1, 2001 to September 30, 2006.

Mr. Dobberstein stated they have requested that a wall be constructed in one of the offices to separate some of the personnel from the noise of computer equipment. He stated Mr. Patrick DeLaPointe, Foss Associates provided us with a cost estimate of \$3,880. He stated one of the supplemental agreements of the lease is that the FAA will pay for the wall.

Received Communication from Federal Aviation Administration Requesting Renewal for Eastside Terminal Office Space and Considered Request to Modify and Office:  
(Continued)

Mr. Dobberstein stated another supplemental agreement they proposed was that the walls be painted every three years instead of five but he stated he is opposed to that as every five years is sufficient.

Mr. Pawluk asked if any ventilation changes would be required with the new wall.

Mr. Dobberstein stated he would have to refer to the plans but he is sure Mr. DeLaPointe covered that.

Mr. Kilander moved that the Airport Authority approve the lease extension for the FAA Flight Standards District Office, approving the construction of the wall but denying the request for painting every three years rather than five.

Second by Mr. Pawluk.

The motion was declared carried.

Mr. Dobberstein stated the other tenants in the building without janitorial services currently pay \$6 per square foot and he is going to recommend increasing that to \$7.

Mr. Dobberstein stated as far as the rental rates in the Eastside Terminal, he recently asked Mr. Jim Buus, Goldmark Commercial Realty, for a comparison of our proposed lease rates with other similar space and it was his opinion that we are in line.

Chairman Macdonald called for a vote on the motion.

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

Considered Request from Fargo Police Department to Construct a Storage Building on Airport Property:

Sgt. Gene Anderson, Training Sargeant for the Fargo Police Department, was recognized and stated they are requesting permission to construct a 14' x 20' storage garage on airport property for equipment used in conjunction with their K 9 training.

He stated the building would be on a floating garage slab, white siding with grey shingles, unless the airport would prefer different colors.

Mr. Dobberstein stated he would propose that the garage be placed with the door facing west and that it be set back in the shelterbelt.

Chairman Macdonald suggested as rent for this that the airport receive the revenue for the parking tickets written at the airport.

Sgt. Anderson stated they are aware this is a temporary arrangement and that they could be required at any time to remove, demolish, or forfeit the building.

Mr. Anderson moved the Airport Authority approve this request, subject to the Executive Director working out the details of location, etc.

Second by Mr. Kilander.

Sgt. Anderson stated they would begin construction in two to four weeks. He added that the building would have no electrical or water/sewer.

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

Received Update on Proposed Car Rental Facility:

Mr. Bernie Ness, Avis, stated the project is going forward. He stated last Friday the owners had a conference call and resolved the final internal issues. He stated once their agreement is done then they can concentrate on the building. He stated their goal is to have the building done by fall. He indicated they would have an item on the agenda for the June 26 meeting.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated Nodak Contracting is working on breaking up the concrete at the intersection of Taxiways A and C. He stated the portion of the shelterbelt for the runway protection zone has been cleared. He stated we have construction meetings every Tuesday at 2:00 p.m. and anyone is welcome to attend.

Mr. Dobberstein stated with regard to the new hangars (3 & 4) in the south general aviation area, Dakota Fence is installing guard rail for Fargo Aero Tech's new hangar and proposed installing guard rail along our hangars for a cost of \$3,800.00. It was the consensus of the board to accept that proposal and Mr. Dobberstein indicated he would advise Dakota Fence to move ahead.

Continued Discussion Regarding Possible Project to Replace Hangar #2, South General Aviation Area:

Chairman Macdonald stated the Airport Authority previously entered into an architectural agreement with T.L. Stroh for the possible replacement of Hangar #2, which was demolished as a result of the 7 4 99 wind storm.

Mr. Dobberstein provided a communication to the members indicating he had explored the possibility of applying the identified FEMA funds toward a possible Air Wisconsin maintenance hangar. He indicated it would be possible after an extensive environmental assessment. The latest word from Air Wisconsin is that Fargo is on a short list for a possible second hangar project they will consider in the next year or two. It appears the initial hangar will be constructed in a larger community such as Milwaukee or Madison where they can have six to eight originating flights each morning.

Mr. Dobberstein stated he is proposing that in the plans and specifications we have some alternates as there is the possibility that the ND Counter Drug Unit could occupy the hangar. He stated their needs would include two small offices, a conference room and one bathroom. He stated even if we don't include those in the original structure we can always add them later.

Chairman Macdonald stated the action required is for the board to authorize proceeding to Step 2 of a multi step process.

Mr. Dobberstein stated if the board approves building the hangar just north of Hangar 9, in accordance with the various codes, it is possible that we may have to request the Guard to release some of land they currently lease in order to provide enough area for the footing and access to the building. In answer to a question from Mr. Pawluk, Mr. Dobberstein stated that FEMA had previously offered to conduct the environmental assessment, but they could also see that an assessment would not be required. Mr. Dobberstein stated if the building were to be built in a location totally different than the previous building a full blown environmental assessment would be required.

In answer to a question from Mr. Pawluk, Mr. Dobberstein stated the availability of the FEMA funds for replacement of Hangar #2 is limited. He stated if we do not construct a building the funds go away. He added that we have already extended the time twice and we probably would not receive another extension. He stated the extension we received is through October 1, 2001.

Mr. Kilander now absent.

Mr. Anderson stated before we proceed any further with design of the building we need to take soil borings in the proposed site.

Mr. Anderson asked Mr. Dobberstein for more information on the possible tenant.

Continued Discussion Regarding Possible Project to Replace Hangar #2, South General Aviation Area: (Continued)

Mr. Dobberstein stated they are very interested in the hangar. He stated they are currently leasing space from Paul Bernabucci in the north general aviation area and their lease expires at some time in the near future. He stated their representative, Curt Stanley, indicated that if the airport was going to move ahead with the hangar they would then negotiate a month to month lease extension with Mr. Bernabucci.

After further discussion, Mr. Pawluk moved to authorize the Executive Director to move forward with the next step in the process to replace Hangar #2.

Second by Mr. Anderson.

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

Other Business:

Chairman Macdonald stated he would like to comment on the American Association of Airport Executives Conference he attended recently in New Orleans. He stated we are extremely fortunate, for an airport our size, to have the connections to three major hubs with jet service. He stated there are airports the same size as our that have props that fly to only one place. He stated he would like to see us invite airline representatives to a luncheon/dinner affair and give us an opportunity to show our appreciation.

Chairman Macdonald stated something else that was readily apparent to him was the quality of our management here at Hector Airport. He stated it is more than a step above the national average. He stated he feels that needs to be reflected in various ways and he wants his appreciation to be made public. He stated our administrative costs are way below average for like sized airports, even way below average for airports much smaller than ours. He stated it is readily apparent that Hector Airport is a great place and we need to do all we can to keep it that way.

Mr. Pawluk added that we have also largely benefited by decisions that have been made by previous boards, and we are fortunate in that respect as well. He stated coming to the terminal today he noticed how nice everything looks with the improvements in the terminal. He added the secret is to keep everything new.

Mr. Dobberstein stated effective June 30, the State of North Dakota will require car rental agencies to tax car rentals 8%.

Mr. Ness stated they just received the communication and it is 5% on the total contract and 3% on items other than gas, loss damage waiver, and some other items. He stated they will have a hard time implementing this into their system by June 30. He stated the legislature passed this before talking to any of the car rentals or airports.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 12, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:09 a.m.

Regular Meeting

Tuesday

June 12, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 12, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald

Absent: Anderson

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 29, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held May 29, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$15,357.51:

Mr. Kilander moved to approve the airport vouchers totalling \$15,357.51.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual vouchers in the amount of \$23,651.32 to Flint Communications for partial payment request for airport marketing program.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,408.00 to Modern Electric for electrical work in connection with the Westside Terminal business centers.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Dakota Fence:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,748.03 to Dakota Fence for the installation of guardrails along the new southeast general aviation area hangars.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

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 \$15,394.03 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with AIP Project 25 Runway 8/26 Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,515.37 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Cass County Drain 10 Project, APFC01.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

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 \$8,550.80 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Cass county Drain 10 Project, APFC01.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,515.37 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the parking lot plans/specifications.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

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 \$7,533.37 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the south general aviation area watermain/sanitary sewer project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

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 \$550.25 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with PFC Application #3.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to T.L. Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$571.88 to T.L. Stroh Architects for payment request for architectural services in connection with the southeast general aviation area hangar project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Receive Update Regarding Proposed Hangar #2 Replacement Project:

Mr. Terry Stroh, TL Stroh Architects, distributed copies of the report on the soil borings that were taken in the proposed area for the construction of Hangar #2. He stated they took borings in the four corners of the proposed area (approximately half the size of Hangars #3 and #4). He stated in terms of soil capacity they were similar to all of the rest of the sites in that area, however, they did detect a slight fuel smell in one of the borings. He stated they would have to go further to investigate what that means. He stated if contamination is found, we have to remove soil only from the portion of ground that will be disturbed.

Mr. Dobberstein stated he has advised Northwest Airlines since that is in the area from which their fuel farm was removed several years ago. He stated Midwest Testing also did the environmental assessment for Northwest Airlines on behalf of the State of North Dakota.

Mr. Pawluk asked what the objective is at this point, to clear the area for a building or to determine the source and the amount of the contamination and find out who would be the responsible party.

Mr. Dobberstein stated at this point it would be to recognize that it is there and once we get into construction remove what ever is needed and if there are additional costs incurred then we will address the matter at that time. He stated at this time it would be hard to prove who would be responsible.

The soil boring report from Midwest Testing was received and filed without objection.

Receive Update Regarding Proposed Hangar #2 Replacement Project: (Continued)

Mr. Stroh asked the board to clarify some things so that they have a full understanding before beginning the design phase. He stated the document shows that there is \$420,615 for actual construction. He asked if that is the amount the Authority wants to spend or is the Authority going to put additional funds toward the building.

Mr. Dobberstein indicated the board does intend on spending additional funds.

Mr. Stroh stated he would like to have some idea of what that amount will be.

Mr. Pawluk stated he would recommend the hangar be designed with a value component.

Mr. Dobberstein stated he would estimate \$600,000 \$625,000 including fees.

Chairman Macdonald stated he feels our share should not be more than \$150,000.

However, he stated we would not fight over \$25,000 if that's what would be necessary to meet certain criteria.

Mr. Pawluk stated if in the future we wanted to add on to the proposed building we could certainly do that as we did with Hangars 3 & 4.

Mr. Stroh stated they can take that into consideration and take the necessary precautions to make that possible.

Received Communication from EideBailly Regarding Tenant Financial Review and PFC Account Audit:

The reports from EideBailly regarding the financial review on The Barnstormer and APCOA, and also the report on compliance with requirements applicable to Passenger Facility Charges, were received and filed without objection.

Chairman Macdonald stated the report on both The Barnstormer and APCOA resulted in no findings. He stated the PFC audit also disclosed no instances of noncompliance with those requirements that are required to be reported.

Chairman Macdonald extended congratulations to the staffs of all three entities.

Mr. Pawluk stated in April he was appointed to serve on a subcommittee to come up with some plans/ideas for the restaurant operation and Dr. Clark has agreed to serve on that committee with him. He stated they have not yet had a chance to meet but one of the things that will prompt us to move forward is to include an item in the budget for remodeling/renovations. He stated even though they have not met to discuss the matter they have both been thinking of ideas.

Mr. Dobberstein stated he did include the replacement of tables, chairs, etc. in the operations and maintenance budget for 2002. He stated he has not yet proposed the 2002 Improvement Fund Budget to the board.

Mr. Pawluk stated he would like to see us spend at least \$100,000 on the project.

Chairman Macdonald stated this is a project for which we will probably never recoup our investment. This is a service to the travelling public and we need to do this as efficiently as we can.

Mr. Pawluk asked Mr. Dobberstein if he has a list of some different airports that may currently have restaurant operations which may better serve our needs. He also asked if any of those airport directors have comments on how changes have worked for them.

Mr. Dobberstein stated he has spoken with Mr. Mike Marnach, Sioux Falls, after they went with more of a fast food court. He stated Sioux Falls is still a rural enough area where people like to have a full service, sit down restaurant. He stated it seems a combination of both would best suit our needs.

Chairman Macdonald stated he thinks it is great that we have a local businessman interested in this restaurant operation as there are a lot of spin offs to both the airport and the community, such as catering for museum events, etc.

Mr. Pawluk asked Mr. Darren Anderson what he thought of the food service operation in Cedar Rapids.

Mr. Anderson stated he felt the area was nice but it was fairly small.

Received Communication from EideBaily Regarding Tenant Financial Review and PFC Account Audit: (Continued)

Mr. Pawluk stated we certainly do not have the volume to support an operation such as in Minneapolis, but we can have some of the same concepts with a large seating area that will invite people to be seated. He stated it is hard to have sit down service in the same area as "fast food", but once you have a nice fast food area you will probably have less sit down customers. He added that with the labor market the way it is you would think the restaurant would encourage more of a self serve atmosphere.

Mr. Dobberstein stated he has talked to economic development and chamber people and they do like the idea of a full service restaurant and the atmosphere provided when they are bringing visitors to and from the airport.

Mr. Pawluk stated he does not know why we need to have so much bar space. He stated in his opinion it seems to be a smoking area for airport employees. He stated he does not want to make this complicated but we should probably be working with an architect on this project. He asked if Foss Associates would be the firm we should work with as they designed the terminal.

Mr. Dobberstein stated that is what we have done in the past but it is up to the board.

Mr. Pawluk stated their subcommittee will meet in the near future and come back to the board with their initial findings.

Considered Proposal from Downtown Community Partnership:

The e mail communication from Dave Anderson, Downtown Community Partnership, was received and filed without objection.

Mr. Dave Anderson, President and CEO, Downtown Community Partnership, was recognized and reviewed some of the plans for downtown Broadway renovation. He stated in designing the intersection at Main and Broadway they need to widen Broadway for turning lanes and will need to relocate the "Sodbuster" statue. In their consideration of a new home for the statue they were looking for more of a prairie setting and the airport came to mind. He stated he does not have a specific proposal as far as location but he wanted to open this up to conversation.

Chairman Macdonald stated he would like to see the airport accept the statue. He stated we will not all agree on location but it will be placed somewhere.

Mr. Pawluk moved the Airport Authority gladly and graciously accept the offer to receive the sodbuster, to be placed in a location to be determined.

Second by Dr. Clark.

Mr. Kilander stated the questions that jump into his mind is the costs involved with the move.

Mr. Dave Anderson stated we will need to get together with the Park District as they are responsible for the structure.

Mr. Pawluk stated since the Main Avenue project is a Federal Aid Project there would probably be some funds available for the relocation.

Mr. Dobberstein stated Mr. Bob Anderson wanted to be certain that he is on record as not being in favor of locating this statue at the airport.

Mr. Dobberstein stated he does not endorse this idea either and does not feel the airport is an appropriate location.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Mr. Kilander stated his concern is that we do have a plan for other such offers in the future.

Received Communication Regarding July 1999 Storm Damage to hangar #4:

Mr. Dobberstein stated we have finally received word from FEMA that they will reimburse us additional funds toward demolition costs for Hangar #4. We received an additional \$50,000 from the ND Insurance Department associated with increased cost of construction policy provisions. This matter has taken so long because demolition of the hangar had taken place without meeting NEPA guidelines, but we had to move ahead with demolition as the building was deemed unsafe and constituted a public nuisance. He stated this matter has now been settled, with the assistance of Senator Conrad.

The communication from FEMA was received and filed without objection.

Mr. Dobberstein stated there are still details that need to be worked out on that July 1999 loss and it will probably drag on for another year.

Discussed Passenger Terminal Window Project:

Mr. Dobberstein stated we have received a proposal from AccuTint for installing 3M Scotchshield film over the windows in the Westside Terminal. He stated this is a project we have been considering for some time. He stated this project would involve the 200 or more windows on the south side of the terminal and also those above the restaurant, giftshop and security area on the second floor.

Mr. Dobberstein stated the windows along the south currently have blinds and they are always closed because at certain times the sun will blind the agents at the ticket counters. He stated one suggestion several years ago was to change the manual blinds to automatic blinds which would have cost \$60,000 \$70,000. He stated the current blinds are getting old and brittle and we need to make a change.

Mr. Dobberstein stated they received information on the 3M product at the AAE Conference and as far as they know AccuTint is the only 3M representative in the area.

Mr. Dobberstein stated besides providing UV protection, this would also provide solar heat reduction, heat loss reduction, glare reduction, and also open the view. He stated there is also the option of providing shatterproofing for the glass.

Mr. Pawluk asked if we have ever had a problem with windows shattering.

Mr. Dobberstein stated it has not been a problem up to this point, but we did lose a few windows in the July 1999 storm. He stated we did look at a 3M product at the same time we considered the blind replacement and apparently the product available now has been greatly improved.

Mr. Dobberstein stated we do not need a decision today. He stated he would like to know if the board agrees with the concept.

Chairman Macdonald stated he thinks it is a great idea.

Mr. Pawluk asked how dark the material would be. He stated someone commented to him today that the restaurant is so dark you can't even read the paper.

Mr. Kilander stated he agrees.

Mr. Dobberstein stated he will get some more information and also get a proposal from someone else.

Reviewed Preliminary 2002 Operations and Maintenance Budget:

Mr. Dobberstein stated board members had been provided with a copy of the preliminary 2002 Operations and Maintenance Budget. He stated the City will want an indication of our mill levy no later than our second meeting in July. He stated the proposed 2002 Improvement Fund Budget will be provided at a later date.

Mr. Pawluk stated since we do not yet know what we will be doing in the restaurant it is hard to set a budget figure, but he thinks \$200,000 may be more in line than \$100,000. He stated half should come out of the improvement fund and half from the operations and maintenance fund. He stated since it is mainly the airlines' passengers that benefit from the restaurant they should have no problem with us using some of the money we received from them in rent for improvements.

Mr. Dobberstein stated if there are any other recommended changes from the board members they can let him know.

Other Business:

Chairman Macdonald stated we are still working on plans for an airline appreciation event the second or third week in August.

Mr. Dobberstein stated that is the time period Sen. Dorgan would have available to attend. He stated the CEOs of the four airlines will be invited and we are probably looking at 250 500 people.

Received Update on Airport Improvement Projects:

Mr. Steve Synhorst, Ulteig Engineers, distributed copies of the plans for the parking lot projects. He stated part of the south general aviation area parking lot (off 19th Avenue) shows the lot being extended to the end of Mr. Bill Wiemann's hangar and depending upon the amount of funding Mr. Wiemann wants to contribute, that item might stay in or might be taken out. He stated the difference to expand it all the way to the fence it will be \$50,000 \$55,000 more vs. replacing what is existing.

Mr. Pawluk stated it would seem to him while we are doing this project we should just do the whole project and be consistent. He stated there are benefits to the airport and one of them may be the Air Museum using that area to park cars during dome events for revenue. He stated that is an assumption he is making. He stated he would like to see us pave the entire area so it is consistent all the way through. He stated if we are not charging the other owners we should just do all of it.

Mr. Synhorst stated we will get bids on the entire area and the board can make its decision at that time.

Mr. Synhorst stated the air museum ramp is basically finished, with the exception of a few punch list items. He stated the north perimeter road is also finished with the exception of a few items.

Mr. Synhorst stated the runway extension project is moving along. He stated believe it or not they worked all day yesterday in spite of the rain. He stated they are also getting close to being finished with the south general aviation area water and sewer project.

Other Business:

Dr. Clark stated the new chairs in the departure lounge look great but asked why they are arranged in long rows. She stated there needs to be some different arrangement and spacing so that it is not so inconvenient for people getting in and out.

Mr. Dobberstein stated they have been changed somewhat. He stated the arrangement is done so that the cleaning equipment is able to maneuver around the furniture.

Mr. Pawluk stated the staff does a very nice job of cleaning and maintaining this facility and they should be commended.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 26, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was at 9:25 a.m.

Regular Meeting

Tuesday

June 26, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 26, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald

Absent: None

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 12, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held June 12, 2001, were approved without objection.

Approved the Airport Vouchers Totalling \$8,516.26:

Mr. Pawluk moved to approve the airport vouchers totalling \$8,516.26.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Midwest Testing:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,075.00 to Midwest Testing for soil testing for proposed Hangar #2 location.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$195.80 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Eastside Terminal Generator Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Master Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$169,977.53 to Master Construction for partial payment request #2 for south general aviation area water/sewer project.

Second by Dr. Clark.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$18,369.90 to Nodak Contracting for Partial Payment Request #2 for electrical portion of AIP Project 25, Runway 8/26, Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Dr. Clark.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$437,186.06 to Nodak Contracting for Partial Payment Request #2 for general construction portion of AIP Project 25, Runway 8/26 and Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Dr. Clark.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$35,952.44 to Nodak Contracting for Partial Payment Request #1 for construction of Drain #10, Runway 8/26 Safety Area Project.

Second by Dr. Clark.

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

Approved the Individual Voucher to The Forum:

Mr. Kilander moved to approve the individual voucher in the amount of \$162.06 to The Forum for advertisement for bids for airport parking lot improvement projects.

Second by Dr. Clark.

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

Approved the Individual Voucher to EideBailly:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,140.00 to EideBailly for professional services in connection with the tenant financial review and 2000 PFC Account Audit.

Second by Dr. Clark.

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

Approved the Individual Voucher to Olaf Anderson & Son:

Mr. Kilander moved to approve the individual voucher in the amount of \$87,679.75 to Olaf Anderson & Son for Partial Payment Request #9 (Final) for construction of southeast general aviation hangar project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Mr. Anderson abstained.

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

Received Parking Lot Improvement Bids and Considered Recommendation of Award:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we received bids yesterday for the 2001 parking lot improvements. He stated we received bids as follows:

Border States Paving, Inc.	\$672,699.50
Northern Improvement	\$718,630.75
Engineer's estimate	\$873,413.00

Mr. Synhorst stated they would recommend awarding the project to Border States Paving, Inc. He stated the project was bid as three different schedules (A F) and the Airport Authority should discuss which of these items they want to complete. He stated he would recommend they all be done, based on the favorable prices.

Mr. Pawluk moved we award the project to Border States Paving and proceed with all items (A F).

Second by Mr. Kilander.

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

Approved 2002 Operations and Maintenance Budget:

Mr. Dobberstein stated the change he made in the 2002 Operations and Maintenance Budget from the last meeting was to increase the item for the potential restaurant remodeling to \$200,000. He stated there will also be some additional personnel costs once the City of Fargo sets its cost of living adjustment for the year. He stated this also includes an additional building staff position. He stated the biggest difference in the budget between this year and last year is the payment for building debt.

Mr. Anderson moved to approve the 2002 Operations and Maintenance Budget as presented.

Second by Mr. Kilander.

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

Received Preliminary 2002 Improvement Fund Budget:

Mr. Dobberstein distributed a preliminary 2002 Improvement Fund Budget including anticipated income and expenses for 2002.

Mr. Dobberstein reviewed the income and expense items.

Mr. Dobberstein stated in September the board will meet with representatives from Valley Aviation and JP Development to negotiate an interest rate for the leases on the two hangars in the north general aviation area.

Mr. Dobberstein stated he received information from Kent Costin, City Finance Director that the net amount for each mill is \$173,470. He stated we are currently at two mills and at the July 10 meeting we will certify the mill levy.

Reviewed South General Aviation Area Electrical Project:

The communication from Les Ellingson, FAA, dated April 18, 2001, and proposal from Modern Electric, were received and filed without objection.

Mr. Dobberstein stated this project regarding the overhead wires in the south general aviation area is a project the Authority has been considering for a while. He stated the matter was again prompted by the air museum being in place and their plans for helicopters coming to and from their facility. He stated there is a line running east and west that the air museum and Xcel Energy have negotiated a project to bury that line.

Mr. Dobberstein stated the overhead lines, as they currently are, cause problems for certain larger aircraft and helicopters trying to get to the air museum. He stated we received an estimate to bury the line from 19th Avenue to the Air Condo Association Hangar and also the line that runs from Air Condo to the Westwind Hangar. He stated that burying these lines also require that service to each of the hangars be buried as well. He stated he is proposing we move forward with this project in conjunction with the project Xcel will be doing in August. He stated our cost will be \$21,338.

Mr. Dobberstein stated we have the letter from the FAA indicating the overhead lines are a hazard and we can probably get some funds, probably half, from the State for that reason.

Mr. Dobberstein stated last year we installed a night light on a pole near the Air Condo building and we would propose to the owners of the Air Condo building that the light be mounted to their building, with a separate meter for the Airport Authority. He stated if the owners object we will have to find another location for the light.

Mr. Pawluk stated as one of the owners of that hangar he does not feel there would be an objection.

Mr. Dobberstein stated even if Xcel backs out on their project for the east west line we can still move ahead with this portion.

Mr. Pawluk stated the timing of this project seems perfect if we can bury the line before the new parking lot is done.

Mr. Synhorst stated if the work cannot be done before the parking lot project we do a change order to the project and add conduit.

Mr. Anderson moved to approve the south general aviation area electrical line project and proposal from Modern Electric for \$8,196.00.

Second by Dr. Clark.

Mr. Pawluk asked if Modern was the only proposal we received.

Mr. Dobberstein indicated it was the only proposal we received but we could check with Fargo Electric, although he didn't think there would be much difference.

Mr. Pawluk stated he would feel better if we had another proposal.

Chairman Macdonald called for a vote on the motion.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Received Communication from Advanced Amusements Regarding an Assignment of Lease to SRJ Inc. dba Valley Video:

Mr. Dobberstein stated Advanced Amusements has had the lease to operate the game room but have now sold their assets to a company called SRJ Inc. dba Valley Video. He stated Attorney Stewart has prepared a document assigning the lease from Advanced Amusements to SRJ Inc.

Mr. Dobberstein stated this lease will then expire December 31, 2001 so this fall we will solicit proposals for the game room operation.

Mr. Pawluk moved to approve the assignment of lease to SRJ Inc. dba Valley Video.

Second by Mr. Kilander.

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

Continued Discussion Regarding Proposed Car Rental Facility:

Mr. Dobberstein stated the car rental owners has requested to be on the agenda for today's meeting but there is nothing new to report so this matter is tabled and will be on the agenda for the July 10 meeting.

Discussed August 6, 2001 Air Carrier Appreciation Reception:

Mr. Dobberstein stated he has received confirmation that Senator Dorgan will be available to attend this appreciation reception on August 6. He stated he has not heard from Senator Conrad or Congressman Pomeroy. He stated we have received information from the Ramada on food items available. He asked the board members for their input on the event.

Mr. Pawluk stated he has two concerns, the first is will there be sufficient representation from the airlines. He stated the other is the public's response to this and whether or not it will be positive.

Mr. Dobberstein stated that is the risk we run. Mr. Dobberstein stated we have had open houses in the past that have been sponsored by airlines and those have been successful.

Chairman Macdonald stated his idea for this came out of a discussion he had at the AAEE conference with the manager of the Northwest Arkansas Regional Airport. He stated they had great success with this and she indicated you can't imagine what it does for relations with the airlines.

Mr. Dobberstein stated we are using mailing labels from the four chambers of commerce and are requesting RSVPs. He stated the Ramada will need a number of people 72 hours before the event.

Mr. Bromenschenkel asked if there would be any advertising booths.

Mr. Dobberstein stated he has suggested that to the airlines and they may have some advertising displays but did not want to tie someone to a booth for the entire event.

Consider Proposed Change Order #1 to AIP Project 3 38 0017 25, FAA Road Relocation:

Mr. Synhorst stated the FAA glideslope building is on the north end of the field and the road to the building comes off the main runway. He stated it has been their desire to get as much vehicle traffic off the runway as possible so they want the old road removed and a new one constructed, coming off Taxiway B. He stated the FAA people in Bismarck has designed plans and specifications.

Mr. Synhorst stated the FAA received a quote from Nodak Contracting to do the work and the quote was considerably higher than they anticipated. He stated by including this item as a change order in our project the FAA can save \$20,000 and will reimburse us for the entire cost of \$15,963.50.

Mr. Pawluk moved to approve Change Order #1 to AIP Project 3 38 0017 25.

Second by Mr. Anderson.

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

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated the air museum apron area has now been seeded so that project is complete.

Mr. Synhorst stated they have started paving on the main construction project. He stated the intersection is probably about four days behind schedule because of rain.

Mr. Synhorst stated the ditch reroute is coming along well. He stated they are going to start liming the runway and taxiway extension tomorrow. He added that things are moving along well.

Mr. Terry Stroh, TL Stroh Architects, stated they have come up with a basic concept for the proposed Hangar #2 replacement. He stated right now they are working with two design options. He stated the footprints for both designs are the same but the height is different, 20' or 25'. He stated this building would be 104' x 120', which is about half the size of our last hangar. He stated he has talked with Maj. Solberg regarding the space and building needs of the drug helicopter operation and those items, such as office space, can be handled as alternates. He stated they are proposing an internal draining system for the roof to eliminate some of the water/ice problems around the outside of the building.

Other Business:

Mr. Pawluk stated he and Dr. Clark comprise the restaurant renovation subcommittee and they have met with Pete Haug, owner of The Barnstormer, to discuss possible changes to the restaurant.

Dr. Clark stated they have decided that they need to conduct a survey and then come up with a proposal based on input from customers and airport users. She stated before their meeting she talked with NDSU faculty about having the students conduct the survey as a project. She stated it will be a joint venture among students in facility management, engineering, architecture, interior design, hotel/motel management, etc. She stated they do these types of projects all of the time and they are excited about this one. She stated that Mr. Haug was also supportive of this approach.

Mr. Pawluk stated they will present the concept to the board for approval before anything is implemented. He added that no decisions have been made to this point. He stated whatever is presented will be done after a great deal of research. He stated he does not want it suggested that by using students that we are taking work away from bonafide engineering/architectural firms. He stated what we get from the students is what we will take to architects and engineers for the project.

Mr. Pawluk asked Mr. Dobberstein about the old metal storage building Northwest Airlines has in the southeast general aviation area.

Mr. Dobberstein stated he has advised the Northwest properties people again about this building and that we need to have the building removed. He stated there is no ground lease on the building. He added that the matter will be brought up when we negotiate their operating lease.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 10, 2001 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:15 a.m.

Regular Meeting

Tuesday

July 10, 2001

The regular meeting of the Municipal Airport Authority was held Tuesday, July 10, 2001, at 9:00 a.m. in the Airport Boardroom. (Time was changed due to schedule conflicts.)

The members present or absent were as follows:

Present: Kilander, Clark, Macdonald

Absent: Anderson, Pawluk

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Airport Vouchers Totalling \$28,012.50

Mr. Kilander moved to approve the airport vouchers totalling \$28,012.50.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Dr. Clark moved to approve the individual voucher in the amount of \$4,197.29 to Flint Communications for partial payment request for airport marketing program.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Hanson Associates:

Dr. Clark moved to approve the individual voucher in the amount of \$2,475.00 to Hanson Associates for partial payment request #2 for airport tree/landscape project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to T.L. Stroh Architects:

Dr. Clark moved to approve the individual voucher in the amount of \$10,125.00 to T.L. Stroh Architects for payment request for architectural services in connection with the proposed Hangar #2 replacement project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Dr. Clark moved to approve the individual voucher in the amount of \$5,710.00 to Northern Improvement for partial payment request #3 (final) for construction of the air museum apron.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Dr. Clark moved to approve the individual voucher in the amount of \$112,312.62 to Northern Improvement Company for partial payment request #6 for perimeter road construction, AIP 24 Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$36,246.69 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP 25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$36,246.69 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP 25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$1,508.74 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Extension, AIP 24 Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$13,759.82 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the airport parking lot projects. (See subsequent agenda item.)

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Approved Engineering Services Agreement with Ulteig Engineers for the Airport Parking Lot Improvement Projects:

Mr. Dobberstein stated this is the standard agreement we enter into with our engineer. He stated Ulteig was directed to prepare plans and specifications and bring bids back to the board for the parking lot improvements. He stated those bids were received and the project awarded at the last meeting. He stated now that the contract has been awarded we are entering into a contract with Ulteig for inspection services, etc. He stated this contract provides for a maximum of \$71,304 of engineering services.

Mr. Kilander moved to approve the engineering services agreement with Ulteig Engineers, Inc. for the airport parking lot improvement projects and payment request in the amount of \$13,759.82.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Received Communication from Ulteig Engineers Regarding the South General Aviation Area Water/Sewer Project and Consider Contractor's Change Order Request for South General Aviation Area Water/Sewer Project:

Mr. Steve Synhorst explained that during the southeast general aviation area water/sewer project the airport requested that some of the old gate valves in that area be replaced. He stated this change order includes the cost to replace these valves, along with some other miscellaneous items, totalling \$11,100.00. He added that he reviewed the costs of these items and they were well within line.

Chairman Macdonald stated his concern is that none of these additional costs are related to the contractor's inability to do his job.

Mr. Synhorst stated none of the additional costs to the contractor have been passed on to the airport. He stated their request for additional engineering services were due to the time frame that it took the contractor to do the job and the lack of cooperation they had with the contractor. He stated their additional costs are the result of them dragging this project on and on, and they are still dragging it on trying to get the punchlist finalized.

Mr. Dobberstein confirmed that the \$11,100.00 was all for items we requested.

Mr. Kilander moved to approve the change order in the amount of \$11,100.00 to the southeast general aviation area water/sewer project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Absent and not voting: Anderson, Pawluk

The motion was declared carried.

Received Communication from Ulteig Engineers Regarding the South General Aviation Area Water/Sewer Project and Consider Contractor's Change Order Request for South General Aviation Area Water/Sewer Project: (Continued)

Mr. Synhorst explained that the additional \$1,977.17 in engineering costs was caused by Master Construction dragging the project out which caused extra work for the engineers. He stated these are the additional costs to date and they are still not done as they are waiting for Master to complete the punchlist. He stated when they set up liquidated damages, part of those damages are the additional engineering costs.

Chairman Macdonald stated it would seem to him that we should deduct these engineering costs from the amount owed the contractor.

Attorney Stewart stated that Mr. Synhorst indicated these were included in the liquidated damages.

Mr. Synhorst stated they have not actually assessed any liquidated damages to this point. Mr. Synhorst stated going into this project last year no one expected any problems. He stated it comes down to the contractor taking on way too much work last year.

Mr. Kilander moved to approve the payment request from Ulteig Engineers, Inc. in the amount of \$1,977.17.

Chairman Macdonald asked if we should wait on this request.

Mr. Synhorst stated if the board would rather wait on this for a while it would be no problem to hold it. He stated they will have other additional costs as well.

Mr. Kilander withdrew his motion.

Mr. Synhorst stated the contractor just has minor items left and it would only take a few days to complete them.

Mr. Kilander asked if there is anything the Authority can do to make Master move faster on the punchlist.

Mr. Synhorst stated he can write a letter to the contractor based on the discussion today. He indicated he would give them a deadline and if the deadline is not met we will hire another contractor to do the work at Master's expense.

Attorney Stewart suggested that Mr. Synhorst advise them that any additional costs will be passed on to them.

Received Update Regarding Proposed Hangar #2 Replacement Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and distributed copies of building plans for the proposed Hangar #2 replacement project. He stated the plans show two concepts. He stated the cost difference between the two concepts is \$40,000. He stated the footprint of both concepts is the same, it is the height of the building and hangar door that is the difference.

Mr. Stroh stated the most of the larger corporate jet aircraft will fit in the building with a 20' door. He stated it really comes down to a dollar and cents issue. He stated the precast concrete companies are looking for work so bids should be favorable.

Mr. Stroh stated it is also a bit of a flexibility issue as there are some other airplanes that would get in a 25' door rather than 20', but of course we would then exceed the budget we had set.

Chairman Macdonald asked what size door you would need for a regional jet.

Mr. Darren Anderson stated the wingspan is less than 70' and less than 21' high.

Chairman Macdonald stated he does not want to look back ten years from now and wonder why we didn't build this hangar large enough.

In answer to a question from Chairman Macdonald, Mr. Stroh indicated increasing the door to 70' would increase the size of the building.

Mr. Kilander suggested including the egress door in the main door to eliminate the need to increase the building size.

Mr. Stroh stated he would certain check to see if that would meet code.

Mr. Stroh was directed to come back to the board at the next meeting with plans and estimates for a 25' building and 70' door.

Review Francis Butler's South General Aviation Area Hangar Modification Project:

The communication from Mr. Dobberstein to Mr. Butler dated July 5, 2001, and the hangar drawings were received and filed without objection.

Mr. Dobberstein stated Mr. Butler is requesting permission to add a deck to his existing hangar. He stated he received the drawings about a week ago showing his plans for the 16' x 40' deck with a height of 10'. He stated he and Mr. Synhorst have reviewed this with Mr. Tom Schauer, FAA in Bismarck, and there does not seem to be any objection to this addition.

Mr. Dobberstein stated this will require a change in Mr. Butler's lease to increase the amount of leased space. The increase in ground rental will be an additional \$35.20 per year.

Mr. Kilander moved to approve the request from Mr. Butler for the addition of a deck to his hangar.

Second by Dr. Clark.

Mr. Kilander asked if this will set a precedent.

Mr. Synhorst stated there are very few areas on the airport where this type of project will meet the requirements and this request just barely met the requirements.

Chairman Macdonald called for a vote on the motion.

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 2002, as Per Section 2 06 14 of the North Dakota Century Code:

Chairman Macdonald indicated state law allows the Airport Authority to levy up to four mills and we are presently assessing two mills.

Mr. Dobberstein stated Mr. Kent Costin, City Finance Coordinator, has indicated that one mill will generate a net amount of \$173,470 for calendar year 2002. Mr. Dobberstein stated he recommends we maintain two mills.

Dr. Clark moved to certify to the Board of City Commissioners a two mill levy for airport improvements for 2002, as per Section 2 06 14 of the North Dakota Century Code.

Second by Mr. Kilander.

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

Approved 2002 Budget for Airport Improvement Fund:

Mr. Dobberstein stated nothing has really changed since discussion of the budget at the last meeting. He stated he adjusted some prices when we got final figures for the parking lot projects.

Dr. Clark moved to approve the 2002 Budget for Airport Improvement Fund.

Second by Mr. Kilander.

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

Received Update on Airport Construction Projects:

Mr. Synhorst stated the runway project is moving along. He stated we ran into a little snag last Friday when there was a bank failure on the Drain #10 reroute project. He stated it took out some of the sanitary sewer and water main lines. He stated some people served by these lines were out of water over the weekend but everyone has water now. He stated the good news is that they are proceeding quite well on the rest of the project. He stated the intersection of Taxiway A should be open soon.

Mr. Synhorst reported that they have started on the parking lot projects.

Other Business:

Mr. Dobberstein stated last Friday Mr. Bernie Ness, Avis, advised that they would not be requesting to be on the agenda for this meeting.

Mr. Ness was recognized and stated at 10:00 a.m. today the four owners have a meeting with their attorney to sign the partnership agreement and things will proceed after that.

Mr. Dobberstein stated the Airport Authority has approved the site directly west of the terminal, but the owners are now looking at an alternate location, between the Northwest fuel farm and our maintenance shop.

Chairman Macdonald stated he has some concerns about that location and limiting our growth.

Mr. Maury Lamb, National, was recognized and stated the engineer had indicated the original site would require a large amount of fill and that cost, along with the concern about building a structure too soon on that much fill.

Mr. Dobberstein stated he had indicated to the owners that the airport could make some of the fill from the ditch reroute project available for this project. He indicated that the owners would be responsible for testing and determining if the fill is suitable.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 24, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:52 a.m.

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Regular Meeting

Tuesday

July 24, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 24, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald

Absent: None

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meetings Held June 26, 2001 and July 10, 2001:

The minutes of the regular meetings of the Municipal Airport Authority held June 26, 2001 and July 10, 2001, were approved without objection.

Approved the Airport Vouchers Totaling \$17,848.10:

Mr. Anderson moved to approve the airport vouchers totaling \$17,848.10.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Dr. Clark now present.

Approved the Individual Voucher to Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,275,509.90 to Nodak Contracting for Partial Payment Request #3 for general construction portion of AIP Project 25 – Runway 8/26, Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$65,350.46 to Nodak Contracting for Partial Payment Request #3 for electrical portion of AIP Project 25 – Runway 8/26, Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$157,410.00 to Nodak Contracting for Partial Payment Request #2 for construction of the Cass County Drain 10 Project, APFC01.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to USDA/APHIS/WS:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,484.50 to USDA/APHIS/WS for Wildlife Hazard Assessment, April-June 2001.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Clark, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Received Second Quarter 2001 PFC Report:

The Second Quarter 2001 PFC Report was received and filed without objection.

Mr. Kilander now present.

Received Update Regarding Proposed Hangar #2 Replacement Project:

Mr. Terry Stroh, TL Stroh Architects, Ltd., was recognized and stated they are looking at bidding an alternate on the Hangar #2 replacement project. He stated this alternate will not only give us a larger door but it might be a better door. He stated the door they are proposing is actually a fabric door called the “Megadoor”. He stated the National Guard wanted to use this type of door a couple of times but did not because it was cheaper to repair the existing doors. He stated the National Guard throughout the nation uses a lot of these doors. He stated their latest installation was a 240’ x 70’ door for Federal Express in Anchorage. He stated the door creates an

Received Update Regarding Proposed Hangar #2 Replacement Project: (Continued)

air space that insulates it and there are a number of things you can do with it. He stated the door basically folds up into itself. He stated based on the pre-cast panels we would actually get a 72' door rather than 70'.

Mr. Stroh stated this seems to be an awesome product and they have great references, mostly military and Federal Express type customers. He stated they thought it would be easy to do an alternate for this door. He stated this door would result in a number of changes. He stated there will be less pre-cast concrete so you would not need all of the extra things in the floor such as the rails for the sliding doors, etc. He stated there is one of these doors on a Guard hangar in Duluth.

Mr. Pawluk stated he does not see anything that speaks to wind resistance.

Mr. Stroh stated these doors have been installed throughout the world so wind probably is not an issue.

Mr. Anderson stated his only question is the R-value.

Mr. Pawluk stated the specifications also show a cold resistance to -31 degrees, which is right on the bubble.

Chairman Macdonald stated if they have them in Fairbanks they will work here. He added that it will not cost us anything to bid it as an alternate and we can do a lot of research between now and then.

Mr. Anderson asked when we are going to bid on this building.

Mr. Dobberstein stated when the board approves these plans we will then forward them to ND Emergency Management and they in turn forward it on to FEMA. He stated once FEMA approves the project then it will come back to us through the same channels and we will then either authorize or not authorize Mr. Stroh to proceed. He stated the approval process will take approximately three weeks.

Mr. Jim Sweeney was recognized and suggested the board check with the Bismarck airport on the Megadoor. He stated there is one of these doors on a building at the Bismarck airport and he stated he has not been impressed with it.

Chairman Macdonald asked Mr. Stroh how much more the 70' bypass door would cost than a 60' door.

Mr. Stroh stated he does not think it will cost that much more because it would not require an increase in the size of the building.

Mr. Anderson moved the board authorize Mr. Stroh to complete the plans, submit them to Mr. Dobberstein to be forwarded for the FEMA approval process.

Second by Mr. Anderson.

Mr. Dobberstein stated the estimate provided by Mr. Stroh does not include any additional work related to utilities.

Mr. Anderson stated the door is going to be facing west and it is going to get the northwest wind so we want to make sure we do our due diligence on the door.

Chairman Macdonald called for a vote on the motion.

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

Received US Customs Information Regarding GATE Program Approval for the Fargo Port of Entry:

Mr. Dobberstein stated we received information from US Customs on their GATE Program (General Aviation Telephonic Entry). He stated the port director in Baudette, MN, had contacted him a few weeks ago advising that we were in the running to become a GATE airport and he advised last week that we were approved. He stated he had not heard of this program prior to this.

Mr. Dobberstein stated the program is quite self-explanatory. He stated this could result in an aircraft owner avoiding paying overtime charges if they come into the port after hours. He stated Baudette has seen an increase in their clearances using this program but there has not been an increase at other airports, and that may be due to a lack of advertising this program.

Mr. Pawluk asked Mr. Dobberstein how we are going to make this information known to the people who might benefit.

Mr. Dobberstein stated we are going to make the information available through the FBOs and publicize it in the Aviation Quarterly. He added that Darren Anderson will do a press release when he gets back from vacation.

Mr. Dobberstein stated that on another matter concerning Customs, Senator Dorgan is going to be meeting with US Customs on Thursday regarding the continued request from Fargo that our port become a full time port. He stated this would mean that rather than the local governments paying for the service it would be provided by the federal government. He stated the estimated annual costs starting October 2001 is \$110,000, which is divided among the City of Fargo, City of Moorhead, Fargo-Cass County Economic Development, Cass County and Clay County. He stated that Mr. Don Berg, FCCED, is putting together a printed presentation on why Fargo should be granted this designation.

Mr. Dobberstein stated we have also requested that Senator Dorgan elevate the postal service facility at this meeting as well.

Receive Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated things are proceeding rather smoothly on the projects. He stated we opened up the intersection of Taxiway A and Runway 8/26. He stated part of Taxiway A is still closed between 8/26 and the cargo ramp. He stated the entire Taxiway A should be open tomorrow. He stated they have started paving the runway extension and they should be three quarters of the way done this week. He stated they are planning to start grooving the concrete on August 6.

Mr. Synhorst stated the contractor did run into one glitch. He stated they piled too much dirt on the edge of the bank of the drain which caused the bank to slide, broke the sanitary forced main and obviously the water main also. He stated they are going to replace the mains and service has been restored to all customers served by these mains.

Mr. Synhorst stated Border States Paving is making good progress on the parking lot projects.

Mr. Synhorst stated he did send a letter to Master Construction giving them two weeks to complete everything on the punchlist for the southeast general aviation area water and sewer project and that date is this Friday.

Other Business:

Chairman Macdonald stated he has noticed that some of the concrete by the flagpoles is in bad shape. He stated he mentioned it to Mr. Dobberstein and he got an estimate of \$14,850 to replace the concrete. He stated Mr. Dobberstein suggested that this would be an opportunity to enhance that area. Chairman Macdonald suggested that Mr. Stroh take a look at the area and give us some ideas. He stated it has been suggested that we even look at a simulated brick look.

Mr. Dobberstein asked the board members if they want us to continue maintaining five flagpoles.

Mr. Pawluk stated he feels it is a very impressive display and he thinks we would want to continue all five.

It was the consensus of the board to continue maintaining the present flag display.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 14, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:40 a.m.

The board adjourned to executive session to discuss a legal matter.

Regular Meeting

Tuesday

August 14, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 14, 2001, at 8:00 a.m. in the airport boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald  
Absent: None  
Others: Stewart, Bromenshenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 24, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, July 24, 2001, were approved without objection.

Approved the Airport Vouchers Totaling \$25,193.15:

Mr. Anderson moved to approve the airport vouchers totaling \$25,193.15.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$4,169.71 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Cass County Drain 10 Box culvert Project (PFC#01).

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$691.92 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Museum Apron.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Mr. Anderson moved to approve the individual voucher in the amount of \$45,572.30 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Extension and West Perimeter Road, Project AIP 25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$4,594.18 to Ulteig Engineers, Inc. for engineering services in connection with the airport parking lot improvement projects.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$249.00 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Eastside Terminal Generator Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,744.21 to Flint Communications for partial payment request for airport marketing program.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Dakota Fence:

Mr. Anderson moved to approve the individual voucher in the amount of \$12,150.03 to Dakota Fence for repairs to fence damaged by snow (ND Insurance Department will reimburse for portion.)

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to T.L. Stroh Architects, Ltd.:

Mr. Anderson moved to approve the individual voucher in the amount of \$12,150.00 to T.L. Stroh Architects, Ltd. For partial payment request for architectural services in connection with proposed Hangar #2.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to KI:

Mr. Anderson moved to approve the individual voucher in the amount of \$15,949.20 to KI for the purchase of furniture for the lower level seating area, Westside Terminal.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Barry Hanson:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,845.03 to Barry Hanson for the re-route of the irrigation line for the employee parking lot improvements.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$340,967.86 to Nodak Contracting for Partial Payment Request #4 for general construction of AIP Project 25 – Runway 8/26 and Taxiway C Extension, Intersection Reconstruction, West Perimeter road and Safety Area Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$164,565.00 to Nodak Contracting for Partial Payment Request #3 for construction of Drain #10 – Runway 8/26 Safety Area Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$21,105.00 to Nodak Contracting for Partial Payment Request #1 for construction of NDANG Arm/Disarm Apron.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Border States Paving:

Mr. Anderson moved to approve the individual voucher in the amount of \$92,475.88 to Border States Paving for construction of airport parking lot projects.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to T.L. Stroh Architects:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,776.50 to T.L. Stroh Architects for payment request for architectural services in connection with the Air Wisconsin hangar proposal.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approve Proposed Lease Extension for FAA Airway Facilities Eastside Terminal Office Space:

Mr. Dobberstein stated he distributed copies of the cover page for the lease between the Airport Authority and the FAA, along with a diagram of the office areas.

The document was received and filed without objection.

Mr. Dobberstein stated about a month ago the board approved a five year lease extension for the FAA Flight Standards District Office and this request is for the Airway Facilities Office. He stated this will extend their lease from October 1, 2001 – September 30, 2006. He stated the rate will be \$10 per square foot, the same as Flight Standards.

Mr. Anderson moved to approve the renewal of the lease with the FAA Airway Facilities Office in the Eastside Terminal, as proposed.

Second by Dr. Clark.

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

Received Update Regarding Proposed Hangar #2 Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are almost ready to go to bid on proposed Hangar #2. He stated he is recommending this be bid with one alternate, and that would be to fit up the space for the Guard drug unit. He stated he finally met with them and reviewed their space needs. He stated they would require four offices and a conference room and those would all be covered under an alternate. Mr. Stroh stated he is proposing that the conference room be on the upper level and we are able to do that based on occupancy with ADA requirements so we would not have to have an elevator or lift. He stated the rest of the office space next to the conference room would be for storage. He stated they would also require one bathroom accessible from the hangar and the office space.

Mr. Stroh stated as far as the “megadoor” we discussed at the last meeting, we have started to pull back from that somewhat because we have not been able to get any information from the company. He stated everyone we have talked to says it is a good door but we have not been able to contact the company. He stated we could still include it as an alternate but did not get the impression from the board that they were interested in pursuing it.

Mr. Pawluk stated if the door will cost less if the people who have them like them then we should include it as an alternate.

Chairman Macdonald stated if Mr. Stroh does not get any information from the manufacturer before the bid is awarded then we will disregard that option.

Received Update on Proposed Hangar #2 Project: (Continued)

Mr. Pawluk asked why all of the office space could not be on the top floor. He stated he would hate to see us put in the office space and then not be able to accommodate a regional jet in the hangar.

Mr. Stroh stated having all of the office space on the second floor could also cause problems for a larger aircraft.

Chairman Macdonald stated even with the office space this hangar will be able to accommodate a regional jet.

Mr. Kilander stated if the tenant changes, the office space could be easily removed to accommodate a new tenant.

Mr. Dobberstein stated that as part of the parking lot improvement project, in anticipation of this hangar, we had Schock Excavating extend water and sewer beyond the fence line so it is there ready to be picked up if this hangar is built. He stated otherwise we would have had to go in and tear up the asphalt at sometime in the near future.

Mr. Pawluk asked the timeline on this project.

Mr. Stroh stated they are planning to have all of the documents in place in the next two weeks.

Mr. Dobberstein stated the FEMA review verbally does not require an environmental assessment. He stated they are doing a Category X, Level II Review, which will exclude it from a full blown environmental assessment. He stated verbally that is done and he expected to receive that by now. He stated there is one insurance question that needs to be resolved. He stated some of the FEMA information contradicts itself in that at one time they had anticipated that we were building a structure of the same value as the previous hangar, approximately \$2.1 million. He stated some of the documentation from FEMA indicated that we will acquire insurance in the amount of \$2.1 million, but elsewhere in the same documentation it states that we are required to have insurance up to the amount of FEMA's share of the funding. He stated before we award the bid we are going to have this insurance matter resolved.

Mr. Dobberstein stated Mr. Synhorst, Ulteig Engineers, is on vacation this week so we do not have all of the final civil engineering numbers yet. He stated right now the storm sewer would run right under the floor of the proposed hangar and it is in pretty bad shape. He stated Mr. Synhorst is proposing to pick up the storm sewer on the ramp side and extend it north bound to somewhere north of where we are proposing to build this hangar and connect with an existing line. He stated this storm sewer would be built so that it would not have to be dug up in the future but can be added to easily.

Mr. Dobberstein stated he has also been working with Major Ron Solberg, NDANG, on the process to have the Guard return this property to the Airport Authority.

Mr. Pawluk authorized Mr. Stroh to finalize the documents and advertise for bids for proposed Hangar #2, as proposed.

Second by Mr. Kilander.

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

Review Sidewalk Replacement Options:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated at the last meeting he was asked to come up with some options for the sidewalk in the flagpole area. He stated they have come up with some different configurations and patterns for the sidewalk area and these can be modified almost any way the board would like. He stated we might also want to consider some site lighting to outline the area and light the walkway.

Mr. Stroh stated one of the issues he feels is important to address is to get away from the conflict the current design causes with luggage on rollers. He stated pavers are going to be expensive and will be a maintenance issue. He stated we might consider a window pane effect on concrete using just a broom finish. He stated you will not totally eliminate the problem for wheeled luggage if you go with anything decorative, but it could be drastically reduced.

Chairman Macdonald asked if it would be feasible to go with a decorative look but have a smooth sidewalk on either of the plant area in the center.

Mr. Darren Anderson stated we do need some obstacles between the driving lane and the flag poles because a small car will fit between two poles and we have had people drive through the poles to enter the lot.

Mr. Stroh stated he witnessed that the other day when he was here.

Mr. Stroh stated he will come up with some other options and having smooth sidewalk in some areas.

Continued Discussion Regarding Proposed Car Rental Facility:

Mr. Dobberstein stated Mr. Bernie Ness has provided the board members with some site plans and diagrams.

The documents were received and filed without objection.

Mr. Bernie Ness, Avis, was recognized and stated the site layout is as the Airport Authority has proposed, with area for expansion to the east. He stated the only difference between the plan shown and what they are proposing is that they want to leave a 50' space between the building and the fence to provide a driving lane to the car wash. He stated each agency will have two stalls and the far west stall will be a drive through car wash bay that all four agencies will use. Mr. Ness stated the building will match the terminal and the maintenance shop.

Mr. Pawluk asked Mr. Ness if his group has any other ideas not shown on the plan that would spruce up the building somewhat. He stated the picture presented shows as basic a steel building as you can get. He stated he does not have a suggestion as to what that might be but felt something would be nice.

Mr. Maury Lamb, National, stated since they have to do their own snow removal they want it as uncluttered as possible.

Mr. Pawluk stated they would need some type of guardrails or something to protect the building.

Mr. Ness stated their goal is to get the building done yet this fall and we are fast approaching the deadline.

Mr. Dobberstein stated what the owners are looking for today is for the Airport Authority to reconfirm the location of the building and how it will be sited on the lot, the aesthetic appearance of the building so they can move forward with the building permit, and also some final items on the lease.

Continued Discussion Regarding Proposed Car Rental Facility: (Continued)

Mr. Kilander moved to approve the proposed site plan and the building plan as presented for the car rental service facility.

Second by Dr. Clark.

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

Mr. Dobberstein stated there are a number of lease agreements that need to be executed and they will be brought to the next meeting with all of the appropriate changes he and Attorney Stewart will work on with Mr. Lamb and Mr. Ness. He stated they have created a limited liability partnership called Autobahn. Mr. Ryan is the president, Mr. Hanson is the vice president, Mr. Ness is the secretary and Mr. Lamb is the treasurer, and all correspondence will be sent to Mr. Lamb's post office box.

Mr. Dobberstein stated the ground lease is for a 25-year term. He stated in conjunction with that we are extending their non-exclusive lease agreement in the terminal building, which expires December 31, 2001, for 25 years. He stated he and Attorney Stewart have worked with the FAA on this extension and they had no problem with the lease as long as it was non-exclusive. He stated that means that if another car rental agency comes tomorrow and wants to start a car rental operation at the airport the Authority could grant that, as long as they meet the same requirements.

Mr. Dobberstein stated they will be paying ground rental for the lease, under the same format as Airborne. He stated with the extension of the operating agreement in the terminal the \$40,000 minimum guarantee is escalated over a period of years. He stated a document will be executed for each of the four agencies.

Mr. Dobberstein stated the ground lease for the facility will be one lease signed by the four officers. He stated the previous document called for the agencies to reimburse the Airport Authority for some of the costs involved in the construction, but they will now be assuming those costs.

Mr. Dobberstein stated the previous plan called for the security fence along the north side of the building site to be moved but with the change in the site plan that is no longer necessary. He stated there is a section of fence to the west that runs diagonally that will need to be moved. He stated this is something the Airport Authority can pay for if the members so desire.

Mr. Pawluk stated the amount of money the Airport Authority will have to spend has been greatly diminished so essentially all we have to do is move the fence.

Chairman Macdonald stated we would have to move the fence anyway.

Mr. Ness stated they have hired Ulteig Engineers to do the engineering for the site and drainage.

Mr. Anderson asked what will be done with the old car rental service facilities in the south general aviation area.

Mr. Dobberstein stated Hertz plans to demolish their facility. He stated if Mr. Lamb and Mr. Ness wished to continue operating from those buildings we would need to execute a separate ground lease. Mr. Dobberstein asked Mr. Ness and Mr. Lamb what they planned to do with those facilities.

Continued Discussion Regarding proposed Car Rental Facility: (Continued)

Mr. Ness stated they would continue to use them for the car rental operations for storage, etc.

Mr. Dobberstein stated the board's concern has been the storage on non-related items outside the buildings.

Mr. Ness stated that is one of their desires is that nothing is stored outside the building.

Mr. Dobberstein stated we are continually having to contact people to remind them about storing non-related items outside of buildings in the south general aviation area.

Mr. Anderson moved to approve the leases with the car rental agencies with the changes as noted, and subject to final approval by Attorney Stewart.

Second by Mr. Kilander.

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

Approved Lease Agreement for Bernie Ness South East General Aviation Hangar:

Attorney Stewart stated he has prepared the groundlease for Mr. Ness's proposed hangar and has given that to Mr. Ness.

Mr. Bernie Ness was recognized and stated the one issue is the storm sewer that runs under his proposed hangar and he would like some clarification on that. He stated it sounds to him like he would have to move the storm sewer if there was a problem and the concept is that he knows he is fully responsible for anything that his building might cause. He stated if the airport decides to move the storm sewer it would be their responsibility. He stated he doesn't think we are in any disagreement. He stated is there is any maintenance that needs to be done which would require his floor to be torn up he would be responsible for that.

Mr. Pawluk stated if the site has the storm sewer on it and the storm sewer has to be moved, maybe that should be addressed now. He stated maybe a different site should be considered.

Mr. Ness stated the storm sewer is in very good repair and there has been a storm sewer under Fargo Aero Tech's building for many years without any problems. He stated this clause is really for future owners of the building, not necessarily for the people in this room today.

Mr. Dobberstein stated Mr. Victor Gelking looked at this same site but backed out. He stated at that time both Ulteig Engineers and the City of Fargo looked at the storm sewer and indicated if repairs were needed they would insert a liner.

Mr. Kilander stated it is his understanding that if Mr. Ness's building cause damage to the storm sewer it is his responsibility to repair it and if the Airport Authority initiates something to do with moving the storm sewer it is our responsibility.

Chairman Macdonald stated if the storm sewer starts leaking under his building and we have to dig through his  
, it is his problem with the building.

Mr. Kilander moved to approve the ground lease with Mr. Bernie Ness, subject to final approval by Attorney Stewart.

Second by Dr. Clark.

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

Other Business:

Chairman Macdonald stated Dr. Hamilton's igloo building and hangar in the southeast general aviation area has been for sale for a period of time. He stated there are about three years left on the lease with a five year option. He received a call the other day and asked if they sell it the buyer will want a 20 year lease on the building. He stated we have several options on this matter:

1. Approve the transfer and extend the lease.
2. Approve the transfer and not extend the lease.
3. When the lease is up do not grant an extension and require that the property be returned to the airport in the same condition it was received, which would require removing the buildings.
4. The Airport Authority could purchase the buildings and do whatever we decide with the buildings.

Chairman Macdonald stated he knows he and Mr. Pawluk differ in their opinion on the igloo. He stated he drove by there this morning and it looks fine to him. He stated if the building starts to look in disrepair we reserve the right to force the lessee to do something. He stated Dr. Hamilton wants badly to get rid of this building and we can understand why.

Chairman Macdonald stated we also have to consider the use of that facility for something non-airport related, as we would like it to remain. He stated on the other hand if the building is vacant it would continue to deteriorate.

Mr. Dobberstein stated Mr. Robert Hamilton was not able to be here today and requested that the matter be on the agenda for the next meeting.

Mr. Kilander stated from his perspective he would like the building to be used for many years to come and for it to be an asset to the airport. He stated he would not be in favor of it being used for something that would not be of benefit to the airport. He stated he would probably rather see it vacant. He stated when the lease was signed the lessee agreed to using the property for a certain number of years and then returning the property to the airport in the condition in which they received it. He stated to sell it to someone just to sell it and for it not to benefit the airport would be bad precedent to set. He stated he would love to see the space utilized for the betterment of the airport otherwise he would just as soon let the lease expire and then tear the buildings down.

Chairman Macdonald stated in 1984 when the lease was signed there were some pretty sweetheart deals signed because of the fact that we didn't have any operators on the airport and we had a hard time finding anyone so that colors his judgement.

Mr. Pawluk stated we need to refer to what the Master Plan shows for that area. He stated he does know people who have looked at refurbishing that hangar and have come to the realization that it would be more cost effective to build a new hangar. He stated he thinks Mr. Anderson was involved in evaluating the existing hangar to convert it into something decent. He stated we are not acting on this issue today but discussing our options.

Chairman Macdonald stated it might be a viable option for us to purchase the buildings.

Mr. Pawluk stated that might also not be a viable option.

Mr. Kilander stated his understanding of the lease is that the lease is up in 2004 unless there is an agreement by both parties to extend.

Other Business:

Attorney Stewart stated the lessee has a five year option. He stated the Airport Authority is not obligated to extend the lease beyond that for another owner.

Chairman Macdonald stated he proposed the options he can think of but someone may have some other options. He asked Mr. Lamb and Mr. Ness if they were aware of anyone interested in the property.

Mr. Ness stated the contractors that have looked at it could see that it has been added on to many times. He stated if the buildings were removed someone would definitely be interested in the site for a new hangar.

Mr. Pawluk stated he thinks that when we do our main runway project it should be done all in one year so we do not have to shut the runway down for two summers.

Chairman Macdonald stated he does not know if it is that big of a problem with the extension of Runway 8/26. He stated the two that will be mainly affected would be Northwest and the Guard.

Mr. Pawluk stated we are not deciding this today, it is just something he would like to board members to be thinking about.

Mr. Pawluk stated in the south general aviation area there are two airplanes, one that has not moved since July 1999. He stated he noticed another one with the tail missing.

Mr. Dobberstein stated the one with the tail missing just happened in a recent windstorm. He stated the other belongs to someone we have been in contact with and each time we talk to him he says it is going to be sold in the next month.

Chairman Macdonald directed Mr. Darren Anderson to write the owner of this aircraft a letter advising him if the airplane is not removed in 30 days it will be removed for him.

Mr. Dobberstein stated Mr. John DeCoster will be here Friday, August 31 at 11:30 to discuss the airline lease agreements.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 28, 2001 at 8:00 a.m. in the airport boardroom.

Time at adjournment was 9:21 a.m.

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Regular Meeting

Tuesday

August 28, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, August 28, 2001, at 8:00 a.m. in the airport boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk and Macdonald  
Absent: None  
Others: O'Keefe

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 14, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held August 14, 2001 were received and filed without objection.

Approved the Airport Vouchers Totaling \$26,292.36:

Mr. Pawluk moved to approve the airport vouchers totaling \$26,282.36.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$84,572.64 to Nodak Contracting for Payment Request #5 for general construction of AIP Project 25 – Runway 8/26, Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,426.07 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Safety Area Project, APFC01.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$23,214.94 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26, Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project, AIP 25.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$15,335.50 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the parking lot improvement project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Border States Paving:

Mr. Anderson moved to approve the individual voucher in the amount of \$310,102.58 to Border States Paving for payment request for construction of parking lot improvement projects.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$22,686.30 to Nodak Contracting for Partial Payment Request #2 for construction of NDANG Arm/Disarm Apron.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

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

Mr. Anderson moved to approve the individual voucher in the amount of \$24,400.00 to Modern Electric of FM, Inc. for the installation of a 25KW natural gas generator, Eastside Terminal.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Considered Request from Cass County Historical Society for Advertisement in Fargo History Book:

Mr. Dobberstein stated he was approached by Claudia Greenley, Heritage Publications, a company from Hendrum, MN, who is putting together a book on the history of Fargo, which will be published this fall. He stated they asked if the Airport Authority would be interested in placing an advertisement for Hector Airport. He stated if this is something the board would be interested in he would probably have Mike Robinson (NDSU) and Flint Communications work with Heritage Publications.

Chairman Macdonald asked if the airport would also be featured in the text of the book.

Mr. Dobberstein stated the history of the airport will be included in the book as well.

Mr. Pawluk stated in that case then an ad featuring the historical aspect of the airport may not be as appropriate as an ad promoting Hector Airport.

Mr. Dobberstein stated this book will be a keepsake so we would want to keep within that theme. He stated Flint Communications and Mr. Robinson could help us with that.

Chairman Macdonald stated he feels it should be something that is not too dated.

Mr. Pawluk asked who the money goes to, Heritage Publications or the Cass County Historical Society. He stated if the money goes to the company selling the ads then his perspective is a little different that if it is going to the Historical Society.

Considered Request from Cass County Historical Society for Advertisement in Fargo History Book:  
(Continued)

Mr. Kilander asked if the objective is to promote the use of the airport or presenting the airport's role in the community.

Mr. Dobberstein stated he sees this ad as being more of a support to this effort.

Mr. Pawluk stated he thinks it is a mistake that if we don't get our message out that you can get anywhere in the world from Hector Airport.

Mr. Pawluk moved the Airport Authority authorize the purchase of a full page advertisement in the Fargo history book sponsored by the Cass County Historical Society.

Second by Mr. Kilander.

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

Continued Discussion Regarding Westside Terminal Window Project:

Chairman Macdonald stated Mr. Dobberstein provided the board members with information on this window film project. He stated he talked to some of the employees at the Northwest Airlines counter and they have a feeling that is different than this. He stated Mr. Dobberstein will be meeting with the station managers from both airlines, as it is their employees that will be affected the most by this project.

Mr. Pawluk stated the restaurant is also greatly affected since right now when all of the blinds are shut it is darker in the restaurant.

Chairman Macdonald stated he would like this matter deferred until we have had a chance to talk with the airline and restaurant representatives to get their opinions.

Continued Discussion Regarding Sidewalk Replacement Options:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they have taken a combination of suggestions made during previous discussions on this project and have a plan to present today. He stated they are proposing a combination of gray and brown stamped concrete with some bollards to light the sidewalks. He stated the existing items, the sundial, and the sign indicating a gift of trees would be incorporated into the new design. He stated the stamped colored concrete would be around the perimeter, with the gray in the main walking area. He stated the existing benches would be utilized but would need to be refinished. Mr. Stroh stated there are also some rectangular stone planters would be incorporated into the area as well.

Mr. Pawluk asked if the curved design of the walkway is being considerate of passengers transporting luggage between the parking lot and the terminal.

Mr. Stroh stated it is not a straight shot now and this design will make it a smoother transition and fewer divits to go over with the wheeled luggage.

Mr. Pawluk stated as far as the lighting, he would suggest moving the lighting in far enough so they are not a problem for snow removal equipment. He stated he would even suggest a curb around the planting area because the lights will get hit with snow removal equipment, even with the most careful operators.

Mr. David Heck, Airport Operations/Buildings was recognized and stated his concern would be with the lights and any problems caused by the irrigation system.

Mr. Stroh stated the lights they are looking at are 40" tall and are designed for outdoors.

After further discussion, Mr. Stroh stated he can get some estimates and come back to the board.

Continued Discussion Regarding Sidewalk Replacement Options: (Continued)

Mr. Pawluk stated he would like to discuss another matter that is somewhat related to this. He stated this board took action earlier on accepting the "Sodbuster" and we need to be thinking about this. He stated he would like to see a dirt mound in the area west of Joe Parmer Drive. He stated the reason he is bringing this up now is that he sees a lot of dirt being hauled from the parking lot project along 19<sup>th</sup> Avenue.

Mr. Dobberstein stated there is no shortage of dirt.

Mr. Stroh added that the drawings will be completed for proposed Hangar #2 and we will begin advertising for bids next week. He stated that bids will be received Monday, September 24, 2001.

Mr. Dobberstein stated that Maj. Ron Solberg is working on the land issues with the Guard.

Maj. Solberg was recognized and stated he does not anticipate any problem with that issue. He stated they might ask the Airport Authority to take back the old run up pad and part of the road west of the cemetery and south of the radar as part of the same action.

Mr. Pawluk stated he would like to ask Mr. Heck if he sees any problem with the proposed sidewalk area plan.

Mr. Heck stated his concern is that they are able to plow the snow.

Discussed South General Aviation Area Hangars/Building For Sale:

Mr. Dobberstein stated the purpose for this item being on the agenda was a recent question by Mr. Robert Hamilton about the possible use of the igloo/hangar complex he has for sale.

Chairman Macdonald stated the item would be deferred since Mr. Hamilton is not present.

Approved Car Rental Concession Lease Agreements:

Mr. Dobberstein that Mr. Ness and Mr. Lamb have received copies of the concession lease agreement (both present at the meeting) as well as Mr. Hansen and Mr. Ryan. Mr. Dobberstein asked Mr. Ness and Mr. Lamb for any comments.

Mr. Bernie Ness (Avis) was recognized and stated from a lay person's standpoint it looks fine but Mr. Ryan will be signing them as President of the partnership and his attorney will be doing a final review.

Mr. Dobberstein stated the leases in this discussion are the individual concession leases for each agency, which allow them to occupy the space in the building and the car rental parking lots.

Chairman Macdonald stated there are basically no changes from the previous leases.

Mr. Dobberstein stated the only thing we took out from the previous draft was the reference to Auto BAHN reimbursing the Airport Authority for any site paving costs, as they are now paying for that themselves. He stated this will be a 25 year extension to their non-exclusive leases.

Mr. Pawluk moved to approve the car rental concession lease agreements with the four car rental agencies, subject to the successful review and approval of the Auto BAHN ground lease.

Second by Mr. Kilander.

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

Approved Auto-BAHN Car Rental Facility Ground Lease Agreements:

Mr. Dobberstein stated this lease is the 25 year ground lease for Auto-BAHN for their car rental service facility, for which they will pay an annual ground rental fee based on the rental rate in the air cargo area. He stated this lease will be signed by the four partners in Auto-BAHN, president, vice president, secretary, and treasurer.

Mr. Dobberstein stated the point of contact for us is Mr. Maurie Lamb, Treasurer. He stated the only thing we are waiting for on this lease is a revised legal description.

Mr. Dobberstein stated there is also an addendum to the lease agreement that Auto-BAHN will pay for the site preparation costs for paving. He stated we have provided the main water and sewer trunk line and they will take it from that point and extend the water and sewer to their facility. He stated they will be responsible for the addition of any fire hydrants that will be necessary for fire protection for the facility. He stated the Airport Authority will relocate the fence adjacent to the west side of the leased property. He stated the other item in this addendum covered the fuel system and accessories, making certain they are installed in accordance with local, state and federal guidelines. Mr. Dobberstein stated for instance if they start digging and find something that is a hazard or an environmental concern it would come back to the Airport Authority. He stated once project is in and complete, any problems from that point become the responsibility of Auto-BAHN.

Mr. Pawluk asked the amount of the flowage fee.

Mr. Dobberstein stated they will not be paying a flowage fee. He stated they are no longer going to be reimbursing the airport for any site preparation costs as they are going to pay for those themselves. He stated when they made that change the fuel flowage fee went away.

Mr. Pawluk stated it didn't go away for him. He stated he thinks all of the gas pumped on the airport, including that used by the airlines, should be subject to a flowage fee. He stated he thought we were moving toward that when we had preliminary negotiations with respect to this. He stated all other fuel on the airport is subject to a flowage fee so why should this gas be exempt.

Mr. Dobberstein stated that is a decision this board would have to make.

Mr. Pawluk stated he thought we had made that decision.

Mr. Dobberstein stated the flowage fee for the car rentals was going to be the method by which the agencies paid the airport back for site improvements made.

Mr. Pawluk stated he thinks there should be a flowage fee. He stated this is a fee that is passed on to the retail customer, the same as it is with the FBOs. He stated he believes there should be a flowage fee to the airlines as well. He stated it is a source of revenue for the airport and we provide a lot of services in exchange for that little bit.

Mr. Ness stated he is uncomfortable with the idea that this is an eleventh hour thing. He stated in all of the documents presented there was a flowage fee to repay the costs the Airport Authority was going to incur for site improvements. He stated at the end of fifteen years if the fuel flowage fee did not take care of that then there would be a balloon payment at that time. He stated at no time was the flowage fee ever an economic opportunity for the airport. He stated he was not involved in all of the negotiations but he read all of the documents and at no time was that concept ever in there. He stated the economic opportunity for the airport was the ground lease itself. He

Approved Auto-BAHN Rental Facility Ground Lease Agreements: (Continued)

stated it is up to the airport but we are now down to the eleventh hour and this is the final approval. He stated now we have the concept of flowage fees as an economic opportunity for the airport. He stated he can only speak for himself, but the car rental agencies are putting \$600,000 into this project and it takes a lot of car rentals to pay for that. He stated this is just something that he is not comfortable with and we would have to go back and start over again.

Mr. Pawluk stated he is not suggesting that this is an eleventh hour issue and from Mr. Ness's perspective he can appreciate that it is, but from the board's perspective this is something we have discussed from the onset. He stated the fact that it has disappeared is news to him. He was not aware that it had disappeared. He stated he remembers distinctly that we discussed it in terms of being an economic activity for the airport because it dovetails back into what he said earlier about his thinking that all of the gas that is sold on the airport should be subject to a flowage fee, regardless of the circumstances of any other additional fees. He stated he feels as a matter of principal we should be collecting a flowage fee on all gas, either that or we should stop the flowage fee and not collect it from anyone.

Mr. Bob Anderson asked if we receive a flowage fee from the car rental agencies now.

Mr. Dobberstein indicated we do not. Mr. Dobberstein stated we currently collect fuel flowage fees on all fuel pumped into aircraft, with the exception of Northwest and United Airlines and the fuel pumped into aircraft owned by the FBOs.

Mr. Anderson stated his recollection is that the fuel flowage fee was going to be the method to repay the Airport Authority for improvements. He stated he would agree with Mr. Ness.

Mr. Kilander stated he would compare the car rental fuel to that pumped into the aircraft owned by FBOs. He stated the fuel is pumped into their own equipment used in the operation of their business.

Mr. Dobberstein stated this is a decision that will have to be made by the board.

Mr. Pawluk stated as far as the exemption on aircraft owned by the FBOs, they may not pay the flowage fee directly, but they do pay a fee based on the operation of the aircraft. He stated the discussion we had when this first came up, as well as some subsequent discussions, was to the effect of putting the flowage fee on and having the flowage fee on everything. He stated he agrees with Mr. Ness that this really is an eleventh hour thing he is asking about but this is something he thought was part of the documents all along and that is the reason for his concern. He stated he does not think it is appropriate now to throw a new wrinkle into this, but his perspective on the flowage fee is that everything should be subject to a flowage fee. He stated with all the exemptions we have on the flowage fee then maybe we need to look at deleting the flowage fee.

Chairman Macdonald asked Mr. Pawluk if he wanted to go to a landing fee for small aircraft.

Mr. Dobberstein stated eliminating the flowage fee would be inappropriate.

Chairman Macdonald told Mr. Pawluk he thinks he is on a losing cause from the sentiment of the board.

Mr. Pawluk stated he just wanted to voice his dissatisfaction that we did have an issue that has disappeared.

Mr. Dobberstein stated he will review the minutes on the discussion of this matter.

Approved Auto-BAHN Rental Facility Ground Lease Agreements: (Continued)

Mr. Anderson moved to approve the Auto-BAHN car rental facility ground lease agreements, subject to approval of the concession leases.

Second by Dr. Clark.

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

Approved Change Order for South Arm/Disarm Apron:

Mr. Dobberstein stated Mr. Steve Synhorst, Ulteig Engineers, and Maj. Ron Solberg, NDANG, are present for discussion on this item.

Mr. Synhorst stated the north arm/disarm apron was part of the original bid of the runway extension project. He stated this change order is for a south arm/disarm apron and they have drafted a change order using the unit costs on the original bid. He stated there were a couple of items that were not included in the original bid so they did not have prices, but they have since negotiated with the contractor. He stated Maj. Solberg will discuss the supplemental agreement between the NDANG and the Airport Authority, but the change order with the general contractor is \$443,091.00 and with the electrical contractor for \$46,711.30. He stated this is not part of the airport's AIP 25 project. He stated we are simply running this through the same contractor.

Mr. Dobberstein stated this will be handled the same as the north arm/disarm apron. The Airport Authority will pay for the project up front and the NDANG will reimburse the Airport Authority.

Mr. Synhorst explained the locations of the two aprons on the airport map. Mr. Synhorst stated there was an issue about a berm being constructed for additional protection. He stated they submitted the construction safety phasing plan to the FAA and it came back with a possible concern with the radar and the localizer.

Mr. Larry Miller, FAA Airway Facilities, was recognized and stated there are several issues he would like to address. He stated the proposed berm was 320' long and 8' high, and given the proximity to the localizer for Runway 17 that would have had a possible effect on the localizer and for that reason their regional office recommended that the berm not be constructed.

Mr. Synhorst stated because of other criteria this project was not able to meet, it was recommended that the berm be constructed.

Mr. Miller stated that speaking for Mr. Jim Swenberger, control tower manager, their concern is that the location of the facility is such that typically air traffic control would close traffic on all of Taxiway B.

Mr. Synhorst stated this construction plan has gone through all of the agencies for approval and this is the first we have heard of this concern.

Maj. Solberg stated he believes Mr. Swenberger has been working with the Guard operations people to coordinate this event, keeping in mind this operation with four aircraft, four times a day, it takes only 10-15 minutes. He stated it is not a lengthy operation.

Chairman Macdonald stated he thinks Mr. Miller is talking to the wrong people. He stated the Airport Authority is just the agency that is going to finance the project up front and be reimbursed later. He stated the Guard either has approval or they don't, and if they don't then the project is not going to move ahead.

Mr. Synhorst stated we have the approval from the FAA. He stated there may be some operational issues that need to be resolved.

Maj. Solberg stated right now this operation takes place on Taxiway A-4.

Approved Change Order for South Arm/Disarm Apron: (Continued)

Mr. Pawluk stated he agrees with Chairman Macdonald that the Airport Authority is just the facilitator more than anything else. He stated he just wants to make sure that if they advance the dollars for this project that some of these concerns don't come to light and hurt our ability to be repaid.

Maj. Solberg stated he has a modification to the agreement for Chairman Macdonald's signature that will allow the Guard to collect the necessary funds for this project.

Mr. Synhorst stated he will arrange a conference call with Mr. Tom Schauer, FAA Airports District Office and Jim Swenberger to discuss this issue before we proceed with construction to make sure everyone is in agreement.

Maj. Solberg stated the proposed new operation will be a lot safer than it is now.

Mr. Kilander moved that the Airport Authority move ahead with the south arm/disarm apron, subject to the approval of all agencies concerned.

Second by Mr. Pawluk.

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

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated they are continuing on the Runway 8/26 extension project. He stated all of the concrete is in place on the runway and they are working on the joint sealing.

Mr. Synhorst stated the parking lot projects are progressing. He stated they are mostly complete with the lots around the Westside Terminal.

Mr. Synhorst stated there are still some clean-up items involved in our contract with Master Construction from last year.

Discussed South General Aviation Area Hangars/Building for Sale:

Chairman Macdonald stated Mr. Robert Hamilton is now present and asked him if he would like to discuss the igloo and hangar building for sale.

Mr. Robert Hamilton was recognized and stated he read the minutes from the last meeting and there is a lot of concern about the igloo and the three hangars. He stated aesthetically and structurally the igloo and those three hangars are just as good as the Fargo Aero Tech old hangar. He stated they are just as good looking, if not better, than the condo association hangars on the southeast general aviation area. He stated if there are any board members who have not been in the area lately to go look at the condo association hangars as they look bad.

Mr. Hamilton stated the reason he is fairly confused about all of this is that it was mentioned that these hangars and the igloo somehow interfere with the Airport Master Plan. He stated part of the problem with the Master Plan is that the Airport Authority allowed Dick Springer to build a hangar within five feet of these igloo hangars, and aesthetically, by allowing Mr. Springer to do that they look bad. He stated the other problem with that is it took away his natural water flow off the east side of the igloo hangar and now every time it rains he gets water in the east hangar. He stated in order for him to sell this property he is going to need a multi year lease on this or the new owner will not be able to get financing. He stated there is probably a solution to this problem. He stated in the sense of fair play, if you look at the igloo and those three hangars and you look at the Avis or National buildings, he would say the igloo and those three hangars look better than those rental car buildings.

Discussed South General Aviation Area Hangars/Building for Sale: (Continued)

Mr. Hamilton stated if the Authority wants a new steel hangar to go up where the igloo hangar is right now, then in a matter of fair play he would suggest the Airport Authority buy the existing property from Executive Aviation. He stated if the Authority is not willing to play fair and you are willing to cancel the lease in the next eight years which would force them to tear the buildings down that is fine, but that's not fair play. He stated it would also not coincide with the lease extension granted to Fargo Aero Tech on a hangar that is just as old as theirs. He stated the Fargo Aero Tech hangar is in no better shape than the igloo hangar.

Mr. Hamilton stated the other thing the Airport Authority can probably do is say, okay, you're right, Mr. Hamilton, aesthetically the igloo hangar is fine and we agree to give the new owner a fifteen year lease on the hangar. He stated in a nutshell, to reiterate what he said, is that the igloo and those hangars are structurally sound. They are aesthetically pleasing, more aesthetically pleasing than Fargo Aero Tech or the condo association hangars, or the National and Avis car rental facilities. He stated if his buildings interfere with the Airport Master Plan, then he would suggest the Airport Authority buy the buildings from him.

Chairman Macdonald asked Mr. Hamilton if he is asking for any action on this matter today.

Mr. Hamilton stated he has a potential buyer. He stated he has a fellow who wants to lease it for a year with an option to buy, and then in a year he wants to buy the entire facility from him, but it is very difficult to sell a facility on leased land without a promise from the Airport Authority for a lease of at least 15 years.

Chairman Macdonald asked what this person would be doing with the facility.

Mr. Hamilton stated he is a pilot and is going to use it for hangar space.

Mr. Kilander stated his impression of the discussion at the last meeting was that if the buildings were going to be used for airport activity, the board probably would not have any objections to a lease. He stated however, if it were to be used for activities not germane to an airport then we probably would not grant a lease.

Chairman Macdonald stated we cannot approve a reassignment of lease without knowing who the lessee is and the use of the building.

Mr. Hamilton asked if he could tell his prospective buyer that if the building is used for aviation purposes, such as aircraft storage, that the Airport Authority would more than likely grant a 15 year lease.

Chairman Macdonald stated he could not speak for the entire board, but he personally would not have any objection. He stated we would need that individual to appear before the board and have a formal request.

Mr. Hamilton stated he feels he is in a better position now than he was 10 days ago.

Other Business:

Chairman Macdonald stated Mr. Dobberstein received a letter from Senator Dorgan thanking us for the Airline Appreciation Reception and indicated what a positive message it sent to the business community and the airlines serving the region.

Mr. Bob Anderson stated he attended a meeting last night on the Cass County Drain 3 and Drain 10 assessments. He stated the Airport Authority received notice of this meeting, as well as his own business. He stated this has the potential of costing the airport a substantial amount of money. He stated they did not give any idea of when this will happen but it is something we definitely need to plan for.

Chairman Macdonald stated we will want to keep this in mind for any offers we make for the purchase of property.

Dr. Clark reported that she met with the faculty of three departments at NDSU, Interior Design, Facility Management, and Hotel/Restaurant Management, regarding the airport restaurant project. She stated the representatives of these departments would like to attend the next Airport Authority meeting to discuss this project.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 11, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:24 a.m.

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Regular Meeting

Tuesday

September 11, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, September 11, 2001 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald  
Absent: None  
Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting Held August 28, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held August 28, 2001, were approved without objection.

Approved the Airport Vouchers Totaling \$11,395.14:

Mr. Pawluk moved to approve the airport vouchers totaling \$11,395.14.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$8,949.37 to Flint Communications for partial payment request for 2001 airport marketing program.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Gast Construction:

Mr. Anderson moved to approve the individual voucher in the amount of \$3,576.00 to Gast Construction for payment in full for construction of wall in FAA/ FSDO office, Eastside Terminal (FAA will reimburse).

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to T.L. Stroh Architects:

Mr. Anderson moved to approve the individual voucher in the amount of \$8,100.00 to T.L. Stroh Architects for partial payment request for architectural services in connection with the proposed Hangar #2 project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Continued Discussion Regarding Sidewalk Replacement Options:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they have done some estimates for the proposed sidewalk replacement project. He stated for basic concrete with some saw cutting it would be approximately \$15,000. He stated for something more decorative would be more like \$21,000. He stated the lights we originally looked at are not cheap and so the lighting could run as high as \$20,000. He stated we may consider looking at some alternate fixtures that are not quite as expensive.

Mr. Pawluk stated he does not have the expertise to say whether or not that is the right light fixture to use, but he does agree with the concept and thinks lighting is a very important part of any project and would be very appropriate.

Mr. Stroh stated he will get some more samples of light bollards that will do the same thing.

Mr. Pawluk asked if we had addressed the snow removal issues that were of concern to the maintenance staff.

Mr. Stroh stated we have talked about curbing and placing the lighting within the planting areas. He stated the stamped concrete is not a bad idea, but it all depends on who you get to do it. He stated the board might want to consider qualifying some bidders.

Mr. Dobberstein asked if we would want to wait until spring to bid this project.

Mr. Bob Anderson stated this is the worst time of the year to be bidding this type of project. He stated no one in town has time to do it right now.

Mr. Stroh stated their construction management person has recommended that we might consider pavers just from a maintenance issue.

Continued Discussion Regarding Sidewalk Replacement Options: (Continued)

Mr. Pawluk stated he likes the idea of pavers but again brought up the issue of the snow removal process with equipment.

Chairman Macdonald asked Attorney Stewart if this project is under \$50,000 would we have to advertise for bids.

Attorney Stewart stated the City follows the guideline of \$25,000.

Mr. Dobberstein stated that is what the City follows but the Airport Authority could chose to do something different.

Mr. Pawluk moved to authorize Mr. Stroh to prepare plans and specifications as presented and solicit informal bids for completion of the project during the first half of 2002.

Second by Mr. Kilander.

Chairman Macdonald stated he does not know if that means we are going with stamped concrete or pavers.

Mr. Pawluk stated the motion presumes the stamped concrete as presented, however, we have the option for further discussion and change it in the next few months.

Mr. Stroh stated he would visit with some people who have pavers in a high traffic area.

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

Received Update Regarding Proposed Hangar #2 Project:

Mr. Dobberstein stated he has provided the board members with all of the FEMA project worksheets. He stated FEMA has approved this project for construction. He stated he has a verbal agreement with the NDANG that they are going to work with us on turning the property back to the Airport Authority. He stated the civil engineering estimate for the project is \$143,672 (water, sewer, paving, etc.) He stated this could easily be a \$700-800,000 project. He stated FEMA will fund up to about \$600,000, including engineering/architectural fees.

Mr. Dobberstein stated the bids will be opened on September 24, 2001, and Mr. Stroh will have a recommendation for award at our meeting on September 25.

Review Proposed Advertisement for the Fargo History Book Publication:

Mr. Dobberstein stated he has received a rough draft of the proposed one page advertisement in the Fargo history publication. The ad shows significant dates and events in the airport's history and will also show four airport photographs. He stated he is not sure what the historian will include in the article about the airport.

Chairman Macdonald stated he does not like the "70 years" at the top of the page.

After further discussion, it was the consensus of the board that the wording be changed to "Celebrating 90 years in the skies."

Receive Communication from Pete Haug Requesting to Lease Office Space in the Eastside Terminal:

The communication dated September 4, 2001, from Mr. Pete Haug, requesting office space in the Eastside Terminal, was received and filed without objection.

Mr. Dobberstein stated he is requesting to lease the space effective September 15, 2001, with a two-year lease and 90 day notice of cancellation.

Chairman Macdonald stated the Airport Authority should also have a 90 cancellation option just as the tenant does.

Mr. Anderson moved to approve the request from Mr. Pete Haug to lease office space in the Eastside Terminal.

Second by Dr. Clark.

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

Continued Discussion Regarding Possible Restaurant Modification Project:

Chairman Macdonald stated the restaurant subcommittee (Clark and Pawluk) have some information for the board on the restaurant modification project.

Dr. Clark introduced three faculty members from NDSU who will be involved in the project and wanted to visit with the board. She introduced Susan Diggs is the coordinator of the Interior Design Program, Vern Marke is coordinator of the hotel/motel-restaurant management program, and Becky Amundson is coordinator of the facility management program.

Ms. Susan Diggs was recognized and stated they would like the Airport Authority to elaborate on the direction this project should take and what the Authority's goals are for the restaurant.

Chairman Macdonald stated an airport is a very unique operation in the respect that many cases people are rushing through so in one aspect it is fast food, however, there are other times when people have plenty of time and want a full service meal in a sit down atmosphere is desired. He stated Mr. Haug will have some ideas, as well as the board members, and he is not sure how we get them to the people working on the project. He suggested that might be through the subcommittee.

Mr. Pawluk stated it is his feeling that the board was looking to these people for their suggestions and recommendations.

Ms. Diggs asked if the board would like the group to come up with some plans and recommendations and present them to the board for approval.

Chairman Macdonald stated he would like to see a general layout and the reasoning for that and the board can then review it and refine it. He stated he would like them to work with the subcommittee.

Mr. Kilander stated he wants to make sure Mr. Pete Haug is kept in the loop.

Mr. Pawluk stated he and Dr. Clark have met with Mr. Haug and he is definitely involved.

Ms. Diggs stated the students working on this project are still in the learning process so there may be some recommendations that are not realistic, however, they as a faculty will try to catch those before they would come to the board. She stated they want to present a good, realistic proposal. She asked about a timeline for the project.

Chairman Macdonald stated he feels we would like to see something as soon as practical.

Mr. Dobberstein stated he would also like the group to get input from the Chamber, Economic Development, and CVB.

Continued Discussion Regarding Possible Restaurant Modification Project :

Mr. Marke stated the students will be coming out to conduct a survey in the terminal, using a questionnaire for people travelling through the terminal. He stated this will give us an idea of what the people using the terminal would like to see.

Chairman Macdonald stated he feels Mr. Haug being at the Barnstormer full time will result in some changes.

Continued Discussion Regarding Westside Terminal Window Project:

The memorandum from Darren Anderson dated August 27, 2001, along with communications from the local managers of Northwest Airlines and United Airlines were received and filed without objection.

Chairman Macdonald stated there have been four samples of the window film on display in the terminal and the airlines managers have indicated the preference has been the one in the lower left hand corner (Slate 10).

Mr. Pawluk stated his main concern is that the restaurant has more natural light.

Mr. Anderson moved to approve Slate 10 for the Westside Terminal Window Film Project.

Second by Mr. Kilander.

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

Received Communications from Valley Aviation and Dr. Tom Nagle Regarding Sale of South General Aviation Hangar and Acquisition of North General Aviation Area Hangar:

The communication dated August 22, 2001, from Robert Hamilton advising of the sale of the red Aircraft Services hangar to Dr. Tom Nagle. He will be using the hangar for storage of his personal aircraft and his new hangar on the north end of the field will be taken in for partial trade on the red hangar, which will fall under their FBO lease with the MAA.

Mr. Anderson moved to approve the transfer of the present lease for the red hangar from Valley Aviation to Dr. Tom Nagle.

Second by Dr. Clark.

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

The handwritten letter from Dr. Nagle dated 9-7-01 was received and filed without objection.

Mr. Dobberstein stated Dr. Nagle is aware the ground lease for the red hangar expires December 31, 2001, and he is requesting a 20-year lease on that property. He stated the rental rate on that lease will be eight cents per square foot.

Chairman Macdonald stated he would like to see this matter tabled until Mr. Dobberstein has had a chance to meet with Dr. Nagle before we extend this lease. He stated he is thinking of things such as painting the hangar.

Mr. Kilander stated 20 years is a long time and he does not know that the building has another 20 years of useful life.

Mr. Anderson stated he thinks that is a good idea and he knows Dr. Nagle is making some plans for that building.

Receive Communication from Valley Aviation Regarding Pending Sale of Executive Aviation Igloo/Hangars:

The communication from Robert Hamilton, Valley Aviation, dated September 6, 2001, was received and filed without objection. The letter indicates that the igloo and three hangars have been sold to tower air LLC. Tower Air owns a helicopter and a fixed wing aircraft and will be storing them in the hangars. They are requesting a fifteen-year ground lease with five more five year options.

Mr. Dobberstein clarified that it is Executive Aviation selling the buildings. Mr. Hamilton just used Valley Aviation letterhead for the communication.

Mr. Robert Hamilton was recognized and stated the representative from Tower Air was not able to make it to the meeting today.

Mr. Dobberstein stated the present lease expires June 30, 2004, with one five-year option.

Chairman Macdonald recommended this item be tabled until the new owners are present.

Mr. Hamilton stated he would like to complete the sale on this property.

Chairman Macdonald stated the board could approve the sale subject to the present lease, be he does not think the Authority would grant an extension of the lease without more information.

Mr. Hamilton asked what the Authority would like to know.

Chairman Macdonald stated we should know their intentions as far as what they intend to do with the building.

Mr. Hamilton stated it is the buyer's intention to put steel siding on the hangar. He stated he is not sure what they will do with the igloo.

Mr. Kilander stated he has no problem with a 20-year lease, but he does not think the structure has a 20-year life expectancy, so he would need to hear from the proposed buyer as to their plans.

Mr. Hamilton stated that both he and Mr. Kilander live in houses that are more than 70 years old. He stated these hangars are built with steel framework and are going to be standing longer than the World Trade Center. He stated with steel siding all around they should be around for another 30 years.

Mr. Kilander stated he does not doubt that, however, without a commitment from the buyer we may end up with a twenty-year problem.

Chairman Macdonald stated it is his position that he wants to hear from the buyers before granting a lease any longer than 2009. He stated do the lease to 2009 right now is no problem.

Mr. Pawluk moved to approve the transfer of lease from Executive Aviation to Tower Air LLC, subject to the terms and conditions of the present lease.

Second by Mr. Kilander.

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

Discussed Proposed Airline Lease Renewal:

Chairman Macdonald stated Mr. Dobberstein prepared a summary of the meeting with Northwest Airlines regarding the lease renewals. He stated he felt this was a very productive meeting. He stated that as a result of the final payment on the bonds for the building, they requested a reduction of \$2 per square foot, which results in a reduction of \$46,100 per year. Chairman Macdonald stated considering we no longer have the bond/interest payments of \$225,000 per year we will have that amount of money to put toward our sinking fund. Chairman Macdonald recommended we approve this agreement.

Discussed Proposed Airlines Lease Renewal: (Continued)

Mr. Pawluk moved to approve the proposed revised lease rate for the five year term of January 1, 2002 – December 31, 2006.

Second by Mr. Anderson.

Mr. Dobberstein indicated Atlantic Coast Airlines also approved of this lease extension.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Mr. Dobberstein stated that during our meeting with Mr. John DeCoster, Northwest Airlines, that we immediately start the process to acquire another jetway for preferential use by Northwest Airlines.

Chairman Macdonald recommended that we move ahead with drafting specifications for a new passenger boarding bridge.

Mr. Dobberstein stated Foss Associates drew up specifications for the last passenger boarding bridge.

Authorized Attendance at the AAE/FAA Aviation Security Briefing, October 11-12, 2001, Cincinnati, OH:

Mr. Dobberstein stated Darren Anderson will be attending this Security Briefing if the board approves.

Mr. Anderson moved to authorize attendance at the AAE/FAA Aviation Security Briefing, October 11-12, 2001, Cincinnati, OH.

Second by Mr. Pawluk.

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

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated the runway paving is done. He stated they are going to start paving on the taxiway, which should take about two weeks. He stated they are working on the 19<sup>th</sup> Avenue parking lot, which should be ready for the Museum's Phase I Opening on Sunday.

Other Business:

The communication dated September 5, 2001, from Moore Engineering was received and filed without objection. They have submitted plans for Cass County Drain #10 – Highway #20 Improvements and are asking for our review and comments.

Mr. Dobberstein stated Mr. Mark Bittner, City Engineer, was going to set up a meeting for this review.

Other Business: (Continued)

There was discussion on the vouchers approved at each meeting and it was requested that the list of vouchers be sent out with the agenda prior to the meeting in order to give board members adequate time to review them.

Mr. Dobberstein reminded the board members of the Martin Hector plaque dedication at 1:30 p.m. on Thursday, September 13, 2001, in the terminal building.

The regular meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 25, 2001, at 8:00 a.m.

Time at adjournment was 9:36 a.m.

Regular Meeting

Tuesday

September 25, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 25, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald  
Absent: Clark  
Others: Stewart

Chairman Macdonald presiding.

Approved the Airport Vouchers Totaling \$16,575.40:

Mr. Kilander moved to approve the airport vouchers in the amount of \$16,575.40.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approve the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$166.00 to Ulteig Engineers, Inc. for payment request (final) for engineering services in connection with the Eastside Terminal Generator Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to SandWalks:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,800.00 to SandWalks for payment in full for apron and access road repairs.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,262,612.02 to Nodak Contracting for Partial Payment Request #6 for general construction of AIP Project 25 – Runway 8/26-Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,155.00 to Nodak Contracting for Partial Payment Request for general construction of Runway 8/26 Safety Area, Project APFC01.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$53,627.81 to Nodak Contracting for Partial Payment Request #3 for construction of NDANG Arm/Disarm Apron.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$40,702.14 to Nodak Contracting for Partial Payment Request #4 for electrical construction of AIP Project 25 – Runway 8/26-Taxiway C Extension, Intersection reconstruction, West Perimeter Road and Safety Area Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$990.00 to Nodak Contracting for partial payment request for electrical portion of NDANG Arm/Disarm Apron.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Border States Paving:

Mr. Anderson moved to approve the individual voucher in the amount of \$157,403.86 to Border States Paving for Partial Payment Request #3 for construction of airport parking lot improvement projects.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved Change Order #2 to Electrical Portion of Project AIP 25 for Additional Signage in the Amount of \$3,100.00:

Mr. Dobberstein stated our FAA Certification Inspector requested that we install one additional hold sign on the south side of Runway 8/26.

Mr. Anderson moved to approve Change Order #2 to the electrical portion of AIP Project 25 as outlined.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Received PFC-05 Approval Notification:

The communication from Jeri Alles, Manager, Airports Division, FAA, dated September 12, 2001, was received and filed without objection.

Mr. Dobberstein stated this approval authorizes us to collect no more than \$1,942,080 at the \$4.50 per passenger rate for this application. He indicated that all of the line items on our application were approved.

Mr. Dobberstein stated since we changed the scope of the Runway 8/26 safety area project under a previous PFC, and the cost to reroute the drain is substantially less than constructing the box culvert, the balance of that money will be applied to this amount so we may be nearing 50% of the collection on this before we even reach the \$4.50 level.

Received Bids for Proposed Hangar #2 Project and Recommendation of Award from TL Stroh Architects Ltd.:

Bids for proposed Hangar #2 were received September 24, 2001.

The bids were received and filed without objection.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated there were eight bidders. He stated three bids were very close and the others scaled off from there. He stated the low bidder was Olaf Anderson & Son at \$757,000. He stated with his estimate and this bid we are right on budget. He stated the \$90,000 for Alternate G1 is for the office space, should be chose to do that for a potential tenant. He stated Alternate G2 (\$7,000) is to put in footings rather than poured in place concrete. He stated this is our cold weather option so that we are able to start this fall. He stated Alternate E-1 (\$10,400) is for a fire alarm system, which may also be required by the potential tenant.

Mr. Stroh stated he recommends awarding the bid to Olaf Anderson & Son.

Mr. Bob Anderson stated he would recommend going ahead with Option G-2.

Mr. Pawluk moved to award the project for Hangar #2 to Olaf Anderson & Son with Alternate G-2, and reserving the option to pick up Alternates G-1 and E-1, based upon the ND drug helicopter unit leasing the building.

Second by Mr. Kilander.

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

Mr. Anderson abstained.

Absent and not voting: Clark

The motion was declared carried.

Received Communication from James George III and Great Plains Towers Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building:

The communication from James George III dated September 20, 2001, was received and filed without objection. The communication indicates upon the purchase of the igloo and hangars he will be leasing space to Great Plains Towers for their company plane and helicopter. He stated he would also like to have the full privileges of an FBO (flight instruction, aircraft sales, fuel sales, rental space and charter flights).

Chairman Macdonald stated it is his understanding that we approved the sale of the buildings, subject to terms and conditions of the current lease with Executive Aviation. The term of that lease is to June 30, 2004, with one five-year option.

Chairman Macdonald stated he is not sure the Authority is in a position to approve that request at this time, based only on the fact that we don't have any other information.

Mr. George asked what further information is needed.

Chairman Macdonald stated he would like Mr. George to review the minimum standards for an FBO with Mr. Dobberstein and that the board have some assurance that the requirements have been met.

Mr. Dobberstein stated he has reviewed the FBO minimum standards with Mr. George.

Mr. George stated he had originally requested authorization to conduct flight instruction, but after reviewing all of the requirements with Mr. Dobberstein he thought as long as he was jumping through all of the hoops required he might as well apply for full FBO status.

Received Communication from James George III and Great Plains Towers Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building:  
(Continued)

Chairman Macdonald asked if the facility is adequate from which to operate a full FBO.

Mr. George stated he does not feel the space is an issue. He stated he does not plan to be a Fargo Jet Center or Valley Aviation. He stated his original request was to be able to give flight instruction, but he was told he could not rent hangar space to someone else. He stated rather than go through the approval process on a piecemeal basis, he would rather get approval for a full FBO operation up front.

Mr. Dobberstein stated he has suggested to Mr. George that if he just wants to do flight instruction and hangar rental, then he needs to enter into an agreement similar to what Mr. Victor Gelking has. He stated that if Mr. George then wanted to expand his operation he would need to come back to the Airport Authority for approval on anything else.

Mr. George stated that is where is stuck, because if the board says "no" then he is dead in the water. He stated he would rather put it all on the table in the beginning.

Mr. Pawluk stated if Mr. George wanted to be up and running sooner than later, then it would be in his best interest to go with the limited FBO status for the time being.

Mr. George stated that in order to pay for all of the insurance costs, he wants to be able to generate revenue from the operation.

Mr. Dobberstein stated he needs direction from the board as to whether or not they would be comfortable with Mr. George having a full FBO operation, based on the traditional airport current tenant disputes of more competition, less money for current operators.

Chairman Macdonald stated if Mr. George meets all of the standards he does now know how we can deny him the privilege of operating an FBO.

Mr. Pawluk stated he does not have a strong opinion either way, but there are standards that are in place and one of the considerations is the economic impact that having another FBO on the field might bring to the current FBOs. He stated that is a legitimate consideration by the board in determining if that is an impact. He stated that impact would be gauged by comments by the other FBOs. Mr. Pawluk stated it has been his experience from sitting on this board for a number of years that the FBOs on the field tend to be territorial. He stated he cannot anticipate what the case may be here, as they may not view this as a very big threat.

Mr. George stated if the Airport Authority does not want any more FBOs on the field they should say so, otherwise let's see what we can do about this. He stated no matter where you are in life there is competition.

Mr. Pawluk stated the Airport Authority does have the right and authority to change the standards in place. He stated we are dealing with the standards that have been in place for some time. He stated Mr. George's request is forcing us to look at an issue we have not considered for a number of years.

Mr. George stated he is not anyone special and expects to abide by the same requirements everyone else does.

Received Communication from James George III and Great Plains Towers Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building:  
(Continued)

Mr. Dobberstein stated we have had other parties in recent years interested in going into the fueling business on the airport, but after looking at all of the other codes they have to meet they have found it more difficult than they anticipated. He stated the Airport Authority might give their approval but that is only the first step.

Mr. Pawluk stated he would propose that we consider this request and give the board members opportunity to further review the minimum standards.

Chairman Macdonald stated he would have a problem with making any changes to the minimum standards.

Chairman Macdonald asked the board members if Mr. George meets all of the standards are we going to approve this request to become a FBO.

Mr. Anderson indicated he would vote yes.

Mr. Kilander stated he does not know how we could not allow him to become at FBO.

Mr. Anderson asked Mr. George if he would have any problem waiting until the next meeting.

Mr. Pawluk indicated he would agree.

Mr. George indicated he could wait until the next meeting.

Mr. George asked the status of the ground lease.

Mr. Dobberstein stated the Airport Authority approved the purchase of the property, subject to the terms of the current lease, which expires June 30, 2004, with one five year option. He stated Mr. Robert Hamilton's communication stated the buyer would be looking for a fifteen year lease with five five -year options.

Chairman Macdonald stated that is longer than a normal lease. He added that an option has, for a number of years, been construed as their option, however it is not a blank check and the lessor has rights under an option.

Received Communication from Dr. Tom Nagle Regarding Northwest Hangar Association Lease Arrangement:

The communication dated September 22, 2001, from Dr. Tom Nagle was received and filed without objection. In the communication Dr. Nagle advised that he sold his share in the Northwest Hangar Condominium to Mr. Jerry Meyers, Erie, ND.

Mr. Dobberstein stated the other partner in the condo, Mr. Dave Olig, will provide us with a copy of their new agreement.

Mr. Anderson moved to approve the change in ownership in the Northwest Hangar Association.

Second by Mr. Kilander.

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

Received Communication from Tom Ryan Regarding Car Rental Concession Lease:

The communication dated September 19, 2001, from Mr. Tom Ryan, Budget, was received and filed without objection.

Mr. Kilander asked if this is now an 11<sup>th</sup> hour change.

Mr. Dobberstein stated it has been classified as that.

Mr. Dobberstein stated Mr. Ryan's letter included two changes to the proposed lease. He stated the first relates to the rental rate being tied to the rate in the air cargo area. He stated this item within the text of the lease has been deleted and Attorney Stewart instead included it in Exhibit C.

Mr. Dobberstein stated Mr. Ryan has proposed lowering the amounts of the annual guarantees in light of the September 11<sup>th</sup> events and the affect it will have on their business.

Mr. Bernie Ness, Avis, was recognized and stated this is Mr. Ryan speaking for himself only. He stated he and Mr. Lamb do not agree with him. He stated the rates have already been negotiated and agreed upon. He stated he does not see where we would modify a 25 year agreement based on a hiccup, and Mr. Ryan knows how he feels.

Chairman Macdonald stated he is facing a similar situation in one of his business arrangements and his feeling is that if this hiccup becomes more than that then there is nothing to preclude the car rental agencies from coming before the board and requesting a reduction.

Mr. Ness indicated he agrees with that.

It was the consensus of the board that the agreement will remain as previously negotiated.

Discussed Parking Lot Project:

Mr. Dobberstein stated the Airport Authority has been planning an expansion of the long term parking lot for sometime, but the project has now been expedited due to the closing of the short term parking lot (245 spaces) due to the increased security. Mr. Dobberstein stated we really have no idea how long these restrictions will be in place.

Mr. Dobberstein stated the construction season is nearing the end so we have to move fast on this project. He stated by constructing the lot yet this fall we will offset any parking problems we may face this winter during our heavy charter season. He stated this lot will add 298 spaces.

Mr. Anderson asked if it is the intention to turn part of the current long term lot into short term, with the remaining area being long term.

Mr. Dobberstein stated he has discussed this with APCOA and they have not yet gotten back to him. He stated APCOA is facing this in airports all over the country. He stated the parking lot is accommodating the short-term passenger with the short-term rate.

Mr. Steve Synhorst, Ulteig Engineers, showed the previous plan we had presented to APCOA earlier this year, which shows the entire long-term expansion. He stated we are proposing to go ahead with this project. He stated he talked with Border States Paving, who is the contractor on our other parking lot projects this year, and they have indicated they will honor those bid prices. He stated if we could get plans to them as soon as possible they can get started on the project and completed before the asphalt plants close for the season. The lot would be constructed south of the existing lot on the west half.

Mr. Dobberstein stated estimates for construction and engineering for the project are \$360,000.

Discussed Parking Lot Project: (Continued)

Mr. Robert Kinnoin, APCOA manager, was recognized and stated he thinks it would be better to start the expansion on the east side rather than the west.

Mr. Pawluk stated he would like to see some break between the lots with some landscaping.

He stated we do need to go ahead with this. He stated this is something we had planned to do anyway and we have a good price from the contractor. He stated he would like to argue against having one solid slab of asphalt but rather have some break with some landscaping.

Mr. Synhorst stated we will have to take out trees anyway.

Mr. Anderson stated he wants to see Mr. Synhorst spend a little time for the traffic layout for the future.

Mr. Synhorst stated the cost will be about the same regardless of which area is expanded.

Mr. Pawluk moved the Executive Director, with consultation with the engineer, be authorized to proceed with the parking lot expansion project as they see fit, and that the Executive Director be authorized to execute any change order to expedite the process.

Second by Mr. Anderson.

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

Mr. Bob Anderson stated he assumes this will put our sidewalk beautification project on hold.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated we are moving along at a pretty good pace. He stated all of the paving on the runway and taxiway is done. He stated there is some taxiway lighting left to be done, as well as dirt work and seeding. He stated we are going to be close to the October 15 completion date.

Mr. Synhorst stated he parking lot projects are almost complete, with the exception of some clean up items.

Received and Filed Communication from Mr. Jon Lenthe:

The communication from Mr. Jon Lenthe dated September 20, 2001, was received and filed without objection.

Chairman Macdonald stated the board directed Darren Anderson to write a letter to Mr. Lenthe to instruct him to remove his disabled aircraft from the south general aviation ramp. Mr. Lenthe has responded in a letter dated September 20, 2001, and has requested a three to four week extension.

Chairman Macdonald stated he does not see that as a problem and we can leave that up to Darren and Mr. Lenthe to work out.

Other Business:

Mr. Dobberstein stated at the last meeting we discussed Northwest Airlines' request to proceed with the acquisition of a new jetway for their preferential use. He stated he has now received a letter Mr. James Greenwald, Vice President of Facilities and Airport Affairs, advising of the cautionary approach Northwest Airlines is now taking with regard to operating costs at airports. He stated he is sure we will hear from Mr. John DeCoster in the next few days to emphasize watching budgets. He stated we may need to revisit the issue of the urgency of the jet bridge.

Chairman Macdonald stated he feels it is probably even more urgent. He stated he thinks the possibility of the increased number of regional jets will be accelerated. He stated he thinks we should continue pressing forward through the bidding process, as we reserve the right to reject the bids at any time.

Mr. Pawluk stated he agreed.

Mr. Dobberstein stated he had talked to Mr. Bill Cowman, Foss Associates, and advised him of our plans so he will go ahead and give him the green light.

Mr. Dobberstein stated we have received notification from our insurance carrier, AIG Aviation Inc., of the cancellation of war risk coverage for our airport liability policy. He stated he has provided all of this information to Attorney Stewart. He stated every other airport in the country is in the same position.

Chairman Macdonald stated it appears to him that there is nothing we can do about this.

Mr. Dobberstein stated the AAEE Legislative Department has advised us to contact our congressmen.

Mr. Bob Anderson stated he would like us to some research on some sort of shuttle service back and forth from the terminal to the parking lot.

The meeting of the Municipal Airport Authority was adjourned to executive session for discussion of airport security matters.

Time at adjournment was 9:25 a.m.

The next regular meeting of the Municipal Airport Authority will be held Tuesday, October 9, 2001, at 8:00 a.m. in the Airport Boardroom.

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Regular Meeting

Tuesday

October 9, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, October 9, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present:: Kilander, Anderson, Clark, Pawluk, Macdonald  
Absent: None  
Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approve the Minutes of the Regular Meetings of the Municipal Airport Authority Held September 11, 2001 and September 25, 2001:

The minutes of the regular meetings of the Municipal Airport Authority held September 11, 2001 and September 25, 2001 were approved without objection.

Approved the Airport Vouchers Totaling \$22,279.71:

Mr. Pawluk moved to approve the airport vouchers totaling \$22,279.71.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual voucher to Schock Excavating:

Mr. Kilander moved to approve the individual voucher in the amount of \$5,078.00 to Schock Excavating for payment in full for installation of southeast general aviation area.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Sun Control Window Film:

Mr. Kilander moved to approve the individual voucher in the amount of \$24,826.00 to Sun Control Window Film for the installation of film on Westside Terminal windows.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$3,021.32 to Flint Communications for partial payment request for 2001 airport marketing program.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Robert Gibb & Sons, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$2,597.00 to Robert Gibb & Sons, Inc. for the storm lift pump replacement, Eastside Terminal.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Border States Paving:

Mr. Kilander moved to approve the individual voucher in the amount of \$53,671.36 to Border States Paving for Partial Payment Request #4 for airport parking lot projects.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount \$42,679.04 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with Project AIP 25.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$24,963.87 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the airport parking lot projects.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Kilander moved to approve the individual voucher in the amount of \$8,523.00 to TL Stroh Architects for partial payment request for engineering services in connection with the Hangar #2 replacement project.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$2,244.45 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 8/26 Safety Area, Drain #10 Reroute Project (APFC01).

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved Change Order #1, and Change Order #3 Border States Paving, Parking Lot Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and reviewed Change Order No. 1 to the Border States Paving contract for 2001 parking lot improvements. He stated Change Order No. 1 contains five items, totaling \$22,535.62.

Mr. Synhorst stated they found some old concrete from the entrance road to the Eastside Terminal that had to be removed in order to get proper drainage. He stated they also needed to connect the sump line from the Eastside Terminal to the new inlet. He stated we also needed to repair some sanitary sewer and also stub in sewer and water for the new Hangar #2.

Mr. Pawluk moved to approve Change Order #1 to the 2001 Parking Lot Improvement Contract with Border States Paving, in the amount of \$22,535.62.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved Change Order #1, and Change Order #2 Border States Paving, Parking Lot Projects:

Chairman Macdonald stated that Change Order #2 was approved at the last meeting.

Mr. Synhorst stated we gave the contractor the go ahead on this project. He stated Change Order #2 outlines all of the items and the costs. He stated the net increase for the change order for the expansion of the long-term parking lot is \$368,888.72.

Mr. Synhorst stated the contract does allow the contractor to negotiate some different costs. He stated there were some changes in asphalt material and labor costs. He stated the original bid price was \$30.00 per ton and it went up \$2.65 per ton. He stated we also added some guardrails.

Mr. Synhorst stated the electrical costs are also higher than his estimate because he just matched what was in the existing lot, but apparently the electrical engineers are recommending some lighting improvements in the new lot.

Mr. Anderson suggested that if the lighting in the new portion of the lot was going to be upgraded then maybe we should look at upgrading the lighting in the existing lot.

Mr. Synhorst stated we could bring a light meter out and measure the foot-candles.

There was discussion on the placement of the guardrails and it was the consensus of the board that placement of guardrails would be left up to the discretion of the Executive Director and project engineer.

Mr. Kilander stated he realizes the board approved the change order at the last meeting but indicated he would like it a matter of record that the board approved the figures presented today.

Mr. Pawluk moved to approve the modifications to Change Order #2 as outlined.

Second by Mr. Kilander.

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

Continued Discussion with James George III Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building:

Chairman Macdonald stated that at the last meeting the Airport Authority approved the change in ownership of the igloo building and hangars from Executive Aviation to Mr. James George III. He stated we are now discussing the matter of the fixed base operator status and the lease. Chairman Macdonald stated the board approved the lease in its present terms, which expires June 30, 2004, with one five-year option.

The communication from Mr. George dated October 8, 2001, was received and filed without objection. The communication indicates that upon purchase of the hangar he will be leasing space to Great Plains Towers for their company plane and helicopter. Mr. George also indicates he would like the full privileges of an FBO, including flight instruction, aircraft sales, fuel sales, rental space and charter flights. He has also requested a twenty-year lease with two five-year options.

Mr. Dobberstein stated he met with Mr. George yesterday and reviewed the minimum standards. He stated Mr. George has requested full FBO privileges, however, at this time he is requesting partial FBO privileges similar to Vic's Aircraft Sales. Mr. Dobberstein stated Mr. George will provide proof of a \$1 million combined single limit liability insurance policy for the partial FBO privilege. He stated if he decides in the future to add other FBO services he would then notify us and also increase his liability insurance to \$2 million.

Continued Discussion with James George III Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building: (Continued)

Mr. Dobberstein stated he has no problem with Mr. George being granted approval for a partial FBO, which will require him to pay \$100 per month or 1.5% of gross sales. He stated he has asked for a 20-year lease on the property with two five-year options. He stated the board has granted a term through June 30, 2009. He stated beyond that point the board has not taken any action.

Mr. Pawluk asked that we consider the two items individually, the FBO operation and the lease term.

Mr. Pawluk moved to approve the request from Mr. James George III to operate a limited FBO.

Second by Mr. Anderson.

Chairman Macdonald stated Mr. George's request was for a full FBO, but will be exercising only a limited FBO at this time.

Mr. Pawluk asked if there have been any concerns expressed by the other FBOs about Mr. George's proposal.

Mr. Dobberstein indicated no one has said anything. He stated Mr. Pat Sweeney was at our last meeting and heard Mr. George's proposal. Mr. Dobberstein stated Victor Gelking did bring this to his attention even before Mr. George's request.

Mr. Pawluk withdrew the word the word "limited" from his motion, moving that the Airport Authority approve the request from Mr. James George III to operate a full fixed base operation, although initially he will exercise the option to be only a partial FBO, and subject to all operating standards being met.

Second by Mr. Anderson.

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

Chairman Macdonald stated Mr. George has requested a 20-year lease with two five-year options. He stated the present lease agreement has three more years, with one five-year option. He stated that at the last meeting he brought up the problem we have had in the past with options and lessees thinking that the option is solely at their discretion, but that is not the case and has been misinterpreted for years.

Mr. Kilander stated his concern is the same as before, the aesthetic side of things and how it fits into our plan for that area. He asked if the Airport Authority would have the ability to terminate a lease based on visual acceptance.

Attorney Stewart indicated it would be tough to do.

Mr. Pawluk stated the Airport Authority has spent in excess of \$4 million upgrading the southeast general aviation area in the recent past with the idea of revitalizing the area. He stated we have responded to comments from the public on the unsightly condition of the area. He stated we really don't know the circumstances that will exist in 2010 and what future boards will be dealing with then. He stated he is not willing today to add 20 years of life to that structure. He stated he feels there is enough time existing on the lease for the interested parties to make adequate plans.

Continued Discussion with James George III Regarding Proposed Purchase and Use of South General Aviation Area Hangar and Office Building: (Continued)

Chairman Macdonald asked if anyone would be in favor of a ten-year option exercisable by Mr. George, with our only objection being the appearance of the facility. He stated in other words, if that facility meets our standards in 2009 then he would be given a ten-year option. He stated we could always designate a third party, such as the City of Fargo building inspector, to come in and determine if the building meets the set standards.

Mr. Kilander stated he would have no objection to that. He stated his concern would be who and how do we identify that entity. He stated if we are going to pass that kind of program today then we need to identify the entity now, as probably none of the board members at the table today will be on the board in 2009.

Mr. Pawluk stated it seems like whenever there has been anything nebulous in our leases it always seems to be decided in favor of the other party. He stated he does not feel that structure is suitable on the airport and he believes it has outlived its useful life. He stated our Airport Master Plan shows development of hangars such as those on either side of that building. He stated he is perfectly willing to just let the lease run out.

Mr. Dobberstein asked Mr. George if he has any immediate aesthetic plans for the building.

Mr. George stated he did plan on doing things to the building but he does not want to be told that he has to do this, this and this. He stated he would need to know what standards he would have to meet before he gets into this. He stated he had planned on doing some things to the building because it is an eyesore. He stated it is not the most expensive hangar on the field and it has been around for a while. He stated he does have some plans for it but not something he is going to start today and finish next week.

Mr. Terry Stroh was recognized and stated he would suggest the Authority come up with a list of items that would be required and then Mr. George could take the next few weeks to get cost estimates on those items and determine if it is feasible.

Chairman Macdonald stated since the present agreement allows Mr. George to operate a limited FBO and has a lease term through June 30, 2009, there really is no rush in determining the improvements that will be needed, but the sooner we make a determination the better it would be for Mr. George.

Mr. George stated he realizes the building is not going to last another eight years in its present condition.

Chairman Macdonald stated he would like to leave it up to Mr. Dobberstein and Mr. George to negotiate an agreement.

Mr. Pawluk stated he feels it is too early to extend the lease. He stated he would like the minutes to clearly reflect that the Airport Authority has not extended this lease.

Chairman Macdonald stated we have not extended the lease. He stated we have suggested that if he brings before the board an improvement plan for the building, and if all of the requirements are met, the board would renew the lease for ten years.

Chairman Macdonald told Mr. George he realizes this is probably not what he was looking for, but does he understand the terms and can he live with them.

Mr. George stated he understands it and will think about it in the next few weeks and he will let the board know what he is going to do.

Received and Filed Third Quarter 2001 PFC Report:

The Third Quarter 2001 PFC Report was received and filed without objection.

Authorized Attendance at the 17<sup>th</sup> Annual FAA Airports Conference, Chicago, IL, November 14-15, 2001:

Mr. Dobberstein stated Darren Anderson will be attending this FAA Airport Conference. He added that the AAE Security Conference he was scheduled to attend in October was cancelled.

Mr. Anderson moved to authorize attendance at the 17<sup>th</sup> Annual FAA Airports Conference, Chicago, IL, November 14-15, 2001.

Second by Dr. Clark.

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

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, Inc., stated the paving on the runway and taxiway project is complete. He stated they are now working on lighting and painting. He stated they just have seeding left on the first parking lot.

Mr. Synhorst stated we have retained \$10,000 from the Master Construction project on the southeast side last year. He stated we have hired another seeding contractor to complete the job.

Mr. Terry Stroh, TL Stroh Architects, stated they are working on shop drawings for Hangar #2. He stated they are also working on finalizing contracts. He stated since the Airport Authority does not have a firm commitment from the Guard regarding leasing the building we included only the base hangar in the contract, none of the alternates.

Chairman Macdonald stated it was his understanding that we were going to go ahead with the strengthened floor so the alternates could be added at any time.

Chairman Macdonald stated he is not sure what the Airport Authority wants to do with the alternates on the hangar project. He stated the Guard cannot commit to a lease without a budget and that is up to Congress. He stated he feels it would be in our best interest to strengthen the floor.

Mr. Stroh stated it would be more than strengthening the floor. He stated what we would do is increase the thickness of the floor where we would be bringing conduit into the building to allow them to accommodate their needs. He stated there would also be a number of windows for the office area.

Chairman Macdonald asked Mr. Stroh to put some numbers together for the next meeting so we can consider whether or not to move ahead on some of the alternates right away.

Mr. Anderson suggested that if there are going to be windows it would be best to know that before the panels are cast.

Other Business:

Chairman Macdonald asked Dr. Clark to report on the progress of the restaurant project.

Dr. Clark stated the students have been out here a number of times. She stated they are doing surveys and space assessment. She stated they are going to gather some information from people who use the airport, such as businesses, such as businesses, and they were working with the Chamber on who would be some key people with whom to talk.

The communication from Shane Stevens, United Airlines, dated October 8, 2001, was received and filed without objection.

Chairman Macdonald stated the communication indicates our United service to Denver will change from regional jets to Dornier 328s. He stated this is not good news, but it is not as bad as in some other cities. He stated we have not lost frequency but we have lost 36 seats per day. He stated personally he does not care which aircraft he flies on. He stated this seems to be United's way of saying they are still going to loose money, despite the Federal aid they will be receiving. He stated the airlines are restructuring and cutting out larger aircraft in other markets and replacing them with regional jets. He stated we are on the edge of the shift and our RJs have moved elsewhere. He stated he is confident that we will get our regional jets back as they replace them. He stated if airline travel goes back up again they will put their larger aircraft back into service.

Mr. Dobberstein stated that Delta Airlines is doing the same thing.

Chairman Macdonald stated the Pepsi Soccer Complex was dedicated last week and the Airport Authority was recognized for its participation and we received a plaque.

Mr. Pawluk asked if the sign was in place advising that the complex is built on airport land which could be reclaimed if necessary for airport development.

Mr. Dobberstein stated he did not see the sign.

Mr. Pawluk stated he will check into that.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 23, 2001, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:10 a.m.

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Regular Meeting

Tuesday

October 23, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 23, 2001 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Macdonald  
Absent: Pawluk  
Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 9, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held October 9, 2001, were approved without objection.

Approved the Airport Vouchers Totaling \$22,156.48:

Mr. Anderson moved to approve the airport vouchers totaling \$22,156.48.  
Second by Dr. Clark.  
On the call of the roll, members Anderson, Clark and Macdonald voted aye.  
Absent and not voting: Kilander, Pawluk  
The motion was declared carried.

Kilander now present.

Approved the Individual Voucher to Arbor Transplanting:

Mr. Anderson moved to approve the individual vouchers in the amount of \$3,680.00 to Arbor Transplanting for airport area tree replacements.  
Second by Dr. Clark.  
On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.  
Absent and not voting: Pawluk  
The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,999.11 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Airport Master Plan Update, Project AIP 24.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Dakota Fence Company:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,290.00 to Dakota Fence Company for installation of guardrails, Westside Terminal area.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Landscape Associates:

Mr. Anderson moved to approve the individual voucher in the amount of \$360.00 to Landscape Associates for tree relocation for parking lot projects.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to USDA/APHIS:

Mr. Anderson moved to approve the individual voucher in the amount of \$4,484.50 to USDA/APHIS for partial payment for wildlife hazard survey.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Robert Gibb & Sons, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,117.00 to Robert Gibb & Sons, Inc. for replacement of beacon tower platform.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Master Construction:

Mr. Anderson moved to approve the individual voucher in the amount of \$18,427.38 to Master Construction for partial payment request #3 for construction of south general aviation area water/sewer project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$26,709.75 to Nodak Contracting for Partial Payment Request #5 for electrical construction of Runway 8/26-Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project, AIP 3-38-0017-25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$153,421.15 to Nodak Contracting for Partial Payment Request #7 for general construction of Runway 8/26-Taxiway C Extension, Intersection Reconstruction, West Perimeter Road and Safety Area Project, AIP 3-38-0017-25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$85,677.09 to Nodak Contracting for Partial Payment Request #5 for Cass County Drain 10 Project, APFC01.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$248,372.48 to Nodak Contracting for Partial Payment Request #4 for NDANG Arm/Disarm Pad (to be reimbursed by NDANG).

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye,

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$13,573.13 to Nodak Contracting for Partial Payment Request #1 for FAA Glideslope Road (to be reimbursed by FAA.)

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Border States Paving:

Border States Paving for partial payment request for parking lot projects. Mr. Anderson moved to approve the individual voucher in the amount of \$102,142.93 to

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark and Macdonald voted aye.

Absent and not voting: Pawluk

The motion was declared carried.

Received Report from Ulteig Engineers Regarding Airport Lighting Review:

Mr. Joel Kath, Ulteig Engineers, was recognized and stated that the new long term parking lot is going to be lighted to a little better standards than the existing lot. He stated the new poles will be higher and we will use a different fixture that spreads the light out a little better.

Mr. Kath stated they are proposing two 37' poles in the new section of the lot. He stated if the board should decide to upgrade the lighting in the existing lots they would propose 42' poles. He stated they are not yet certain that the new poles can be put on the existing bases. He stated they are going to evaluate that situation.

Mr. Kath stated the new lighting will result in better illuminated and more even illumination.

Chairman Macdonald asked if 42' poles will cause problems with the FAA.

Mr. Kath stated they have checked into that and so far we have been told we will not need obstruction lights.

Chairman Macdonald asked if this project could be completed this year.

Received Report from Ulteig Engineers Regarding Airport Lighting Review: (Continued)

Mr. Synhorst stated the biggest thing would be the lead-time on the poles.

Mr. Dobberstein asked if the board would like cost estimates before proceeding.

Chairman Macdonald stated he feels we should press on with evaluating the upgrades in the existing lot and move ahead with the project, provided the cost is not obscene.

Mr. Anderson stated he feels there is no questions we should upgrade the lighting but he would like to see the cost first.

Mr. Synhorst stated we would probably take bids on this project.

Chairman Macdonald directed Ulteig Engineers to move forward on getting bids for this project.

Mr. Anderson asked when we will know for sure if we will ever again be able to use our existing short-term lot or if it will have to be turned into green space.

Chairman Macdonald stated we do have some alternatives on that matter and one of them is to construct a berm.

Mr. Synhorst stated they have been retained to look at berms for the airports in Bismarck and Grand Forks. He stated he is in the process of getting some data on specification for a berm to provide protection for 500 lbs. of explosives in a car. Mr. Synhorst stated as soon as he gets further information he will advise the board.

Mr. Kath stated that the poles and light fixtures will be different than the existing. He stated the fixtures will be cobra head rather than the existing shoebox fixtures. He stated the poles will be a round galvanized pole rather than the existing square aluminum poles. He stated from a distance they are the same color but up close they look a little different. He added that the fixtures will be on 6' arms.

Received Hangar #2 Construction Update:

Mr. Dobberstein stated the architect and contractor were directed to come back to us with the minimum cost required to accommodate the possible office alternate that was contained in the bid. He stated Olaf Anderson provided TL Stroh with an estimated cost of \$5,818.00 for accommodations that would need to be made for the office alternate.

Chairman Macdonald stated that does not commit us to the office alternate, just the building modifications that would need to be in place.

Mr. Dobberstein stated Mr. Stroh also stated that Mr. Jed Krieg, Olaf Anderson, indicated we would have up until the first of the year to commit to the alternates.

Chairman Macdonald stated he would assume by that time we would know for sure if the potential tenant has received authorization.

Mr. Dobberstein stated the city building inspector did have one change in the building plans concerning a door.

Mr. Joe Jenni, TL Stroh, stated after the city building inspector's review of the plans they wanted us to add another door at the bottom of the stairway that leads to the conference room upstairs. He stated the cost to do this is \$1,909.00.

Mr. Anderson asked Mr. Dobberstein if he wanted to discuss the builder's risk insurance.

Mr. Dobberstein stated the builder's risk insurance in the amount of \$1,000.00 is included in Change Order #1 for a total of \$6,818.00.

Received Hangar #2 Construction Update: (Continued)

Mr. Kilander moved to approve Change Order #1 to the Hangar #2 Project for builder's risk insurance for \$1,000.00 and modifications to the building to accommodate the office alternate (add exterior windows, thicken concrete slab, electrical rough-in under slab) in the amount of \$5,818.00, for a change order total of \$6,818.00, and Change Order #2 for an additional exit door at the bottom of the stairway to the conference room, as required by building inspector.

Second by Dr. Clark.

On the call of the roll, members Kilander, Clark and Macdonald voted aye.

Mr. Anderson abstained.

Absent and not voting: Pawluk

The motion was declared carried.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the runway project is close to completion. He stated it is ready for the FAA airport certification inspector in the next two weeks.

Mr. Synhorst stated we have finished the base course on the expanded long term lot and both he and Border States agree that it would wise to not push the surface course until next year. He stated it will be a hard surface which will be useable this winter. He stated as soon as the light poles arrive they will be installed.

Mr. Dobberstein stated the base course is in but the striping will not be done so we will have to come up with something for parking control.

Mr. Anderson stated we could just buy tape and tape off spaces since it is pretty cheap.

Mr. Synhorst stated for that matter the painting is pretty cheap also.

It was the consensus of the board to paint the expansion lot.

Other Business:

Chairman Macdonald asked Dr. Clark for an update on the restaurant project.

Dr. Clark stated an assessment has been done of all of the space and all of the inventory. She stated a survey has been put together and is going through the approval process. She stated they have identified whom the survey will go to and as soon as that is approved they will distribute the surveys.

Mr. Pete Haug, Barnstormer, was recognized and stated he has not seen the survey so he does not know what questions it contains. Mr. Haug stated business has been good lately because of the early check-in requirements. He stated they just started a noon buffet so they don't yet know how that will go over. He stated they had the same buffet at the Grainery. . He stated the parking restrictions may have an adverse affect on their Sunday lunch business.

Mr. Kilander asked Mr. Haug if the type of business they are getting has changed.

Mr. Haug stated it really hasn't changed that much but they are getting more people in the restaurant because they have more time to wait.

Other Business: (Continued)

Chairman Macdonald stated the last couple of meetings we have discussed a lease with Mr. James George and his possible purchase of the igloo building and hangars. He stated he discussed this with Mr. Pawluk following the last meeting and their discussion focused on the fact that this is not an isolated incident and we will have to address this time and time again in the future. He stated this is a case where someone is selling a hangar in the middle of a lease term and the buyer wants to obtain a long enough lease term for financing purposes. He stated we will continue to run into this and he is wondering how we can assure ourselves that the property will be maintained in a suitable manner. He stated it would seem reasonable that anyone who is going to have a business on the field would keep the facility up in appearance. He asked Attorney Stewart how we can assure ourselves that we can enforce a certain standard on the airport. He stated this must certainly be done time and time again.

Attorney Stewart stated the board can establish some standards. He stated the board could select a third party that could help review properties to make sure they are meeting those standards. Attorney Stewart stated our leases do contain a general maintenance clause, but then again that may be open to interpretation.

Mr. Kilander stated he thinks the big thing we need to develop is a paper trail. He stated there are a lot of exterior panels that are damaged and need fixing. He stated a quarterly check of those maintenance items could be done and brought to the attention of the owners. He stated if the building owners do not respond we then have a paper trail to which we can refer.

Chairman Macdonald stated he drove around the south general aviation area a few weeks ago and he was happy with the appearance of the buildings. He stated he does not see any buildings that are in such disrepair that they hurt the image of the airport. He stated we still have a disabled aircraft, snowmobiles, trailers, watercraft, etc.

Mr. Dobberstein stated the owners of those items have been notified to move those items.

Chairman Macdonald stated for Mr. George's sake and for the seller of the property, we should add a paragraph to the lease that would satisfy all parties. He stated he is sure Mr. George would want at lease of at least 15-20 years to obtain financing.

Mr. Dobberstein asked Mr. Anderson what the life expectancy is of a metal building built in 1975.

Mr. Anderson stated the panel life is 25 years but the life of the color on the panels is only 10 years. He stated things have changed since then and they now have 20-year guarantees on color.

Chairman Macdonald stated hassling this out for each case that comes before the board is not in our best interest. He stated we need a lease that has a very enforceable provision in it for upkeep and that's the end of it. He stated that would take personalities out of it and get it done in a businesslike manner.

Chairman Macdonald stated September 11, 2001 was the aviation "Flood of 1997". He stated we had a flood in Fargo in 1997 and we had some people within the City work extremely hard in combating the effects of that flood and at the end of that time were awarded a bonus. He stated our flood, which started September 11, is still going on, and he is recommending to the Authority that we approve a bonus for the three principals, Shawn, Darren, and Joan, in recognition of the extra work they have done, and the extra work they will continue to do as this situation has not been resolved. (\$5,000, \$5,000 and \$3,000 respectively.)

Other Business: (Continued)

Mr. Bob Anderson stated he definitely agrees. He stated since this item is new he would like this item tabled until the next meeting so he can do a little research.

Chairman Macdonald asked what research Mr. Anderson would like to do.

Mr. Anderson stated he would be curious about comparisons with other government agencies.

Chairman Macdonald stated he does not know about others but they are getting paid so much more than our guys that they don't need bonuses.

Mr. Anderson stated he was not aware of that. He asked about the annual review process for the staff.

Chairman Macdonald stated the Chairman does it on an annual basis and it is on an informal basis. He stated actually we evaluate Mr. Dobberstein's performance at every meeting. He stated last year we did an survey of the salaries of the Executive Director and Assistant Director at surrounding airports and our Executive Director was at the bottom of the ten, and the Assistant Director was third from the bottom of the ten. He indicated we will probably not receive support for this from city hall.

Mr. Kilander asked what would be the dilemma with city hall. He stated if it comes out of the budget generated at the airport what would be the problem.

Chairman Macdonald stated so do the funds for salaries for our people but every time we try to adjust those it seems they are rejected. He indicated he is going to conduct a survey himself of 50 airports in the country, 25 above our boarding total and 25 below our boarding total.

Dr. Clark asked if the airport classifications are tied in with the other classifications with the city and is that what causes the problems.

Chairman Macdonald stated the Airport Authority is an independent political body by state law. He stated under state law we could pay Shawn \$1 million or \$1. He stated over the course of time we have allowed the city to become our "mentor" so to speak.

Mr. Kilander stated he would like to be part of the lobbying committee on salaries.

Mr. Anderson stated he would like to be part of that as well. Mr. Anderson stated he has to plead ignorant on this matter, as he did not know where our employees stood in relation to others in the industry. He stated he thinks it is a travesty that the director of the largest airport in North Dakota is paid the least. He stated part of why he asked the question on when the review comes up he does not think the Chairman will have any trouble getting support from this board.

Chairman Macdonald stated the Executive Director and Assistant Director positions are currently on the list of positions being reviewed by the city. He stated the problem with the way the city does the survey for the airport positions is they send the request to various city human resources offices but since most airport positions have nothing to do with the city they get no response. He stated we will have more statistics for them this time and he would like to see all of the board members meet with the mayor at that time.

Mr. Anderson stated the City of Fargo did give bonuses to some employees after the 1997 flood and those amounts were certainly more than is being proposed here.

Chairman Macdonald stated this item will be tabled until the next meeting on November 13, and asked the board members to be prepared to discuss it at that time.

Dr. Clark stated she will not be at the November 13 meeting but wanted to voice her support 100 percent.

Other Business: (Continued)

Mr. Dobberstein distributed copies of a communication from Mr. Steven J. Obenauer, Manager of the Bismarck FAA Airports District Office, introducing himself as the new manager of the office. Mr. Dobberstein stated Mr. Obenauer and Mr. Tom Schauer will be here tomorrow morning for a meeting in his office.

Mr. Larry Miller, manager of FAA Airway Facilities, was recognized and stated he will be in Washington, DC for six months to a year on a special assignment. He introduced his acting replacement, Roger Kotchian.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 13, 2001, at 8:00 a.m. in the Airport Boardroom.  
Time at adjournment was 8:46 a.m.

Other Business: (Continued)

Chairman Macdonald stated the last couple of meetings we have discussed a lease with Mr. James George and his possible purchase of the igloo building and hangars. He stated he discussed this with Mr. Pawluk following the last meeting and their discussion focused on the fact that this is not an isolated incident and we will have to address this time and time again in the future. He stated this is a case where someone is selling a hangar in the middle of a lease term and the buyer wants to obtain a long enough lease term for financing purposes. He stated we will continue to run into this and he is wondering how we can assure ourselves that the property will be maintained in a suitable manner. He stated it would seem reasonable that anyone who is going to have a business on the field would keep the facility up in appearance. He asked Attorney Stewart how we can assure ourselves that we can enforce a certain standard on the airport. He stated this must certainly be done time and time again.

Attorney Stewart stated the board can establish some standards. He stated the board could select a third party that could help review properties to make sure they are meeting those standards. Attorney Stewart stated our leases do contain a general maintenance clause, but then again that may be open to interpretation.

Mr. Kilander stated he thinks the big thing we need to develop is a paper trail. He stated there are a lot of exterior panels that are damaged and need fixing. He stated a quarterly check of those maintenance items could be done and brought to the attention of the owners. He stated if the building owners do not respond we then have a paper trail to which we can refer.

Chairman Macdonald stated he drove around the south general aviation area a few weeks ago and he was happy with the appearance of the buildings. He stated he does not see any buildings that are in such disrepair that they hurt the image of the airport. He stated we still have a disabled aircraft, snowmobiles, trailers, watercraft, etc.

Mr. Dobberstein stated the owners of those items have been notified to move those items.

Chairman Macdonald stated for Mr. George's sake and for the seller of the property, we should add a paragraph to the lease that would satisfy all parties. He stated he is sure Mr. George would want at lease of at least 15-20 years to obtain financing.

Mr. Dobberstein asked Mr. Anderson what the life expectancy is of a metal building built in 1975.

Mr. Anderson stated the panel life is 25 years but the life of the color on the panels is only 10 years. He stated things have changed since then and they now have 20-year guarantees on color.

Chairman Macdonald stated hassling this out for each case that comes before the board is not in our best interest. He stated we need a lease that has a very enforceable provision in it for upkeep and that's the end of it. He stated that would take personalities out of it and get it done in a businesslike manner.

Regular Meeting

Tuesday

November 13, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, November 13, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald

Absent: Clark

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority held October 23, 2001

The minutes of the regular meeting of the Municipal Airport Authority held October 23, 2001 were approved without objection.

Approved the Airport Vouchers Totaling \$26,570.14:

Mr. Kilander moved to approve the airport vouchers totaling \$26,570.14.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Moorhead Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,730.50 to Moorhead Electric for payment request for south general aviation area power line removal.

Second by Mr. Kilander.

On the call of the roll members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Red River Service:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,351.65 to Red River Service for payment request for grading and seeding for south general aviation water/sewer project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,153.40 to Flint Communications for payment request for airport marketing program and history book advertisement.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

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 \$720.70 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Airport Master Plan Update, Project AIP 24.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

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 \$690.67 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Safety Area Project, APFC01.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$16,218.42 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Extension, West Perimeter road, Taxiway A Intersection, Project AIP25.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

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 \$20,628.01 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the airport parking lot expansion.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Olaf Anderson & Son;

Mr. Pawluk moved to approve the individual voucher in the amount of \$116,747.83 to Olaf Anderson & Son for Payment Request #1 for construction of Hangar #2.

Second by Mr. Kilander.

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

Mr. Anderson abstained.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to T.L. Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,630.48 to TL Stroh Architects for payment request for architectural services in connection with Hangar #2.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Xcel Energy:

Mr. Pawluk moved to approve the individual voucher in the amount of \$12,178.00 to Xcel Energy for the removal of power lines in the south general aviation area.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Big Tree Nursery:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,670.00 to Big Tree Nursery for relocation of trees for parking lot project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Border States Paving:

Mr. Pawluk moved to approve the individual voucher in the amount of \$192,989.46 to Border States Paving for payment request #5 for construction of airport parking lot projects.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Clark

The motion was declared carried.

Considered Change Order #2 to South General Aviation Area Water/Sewer Project:

Mr. Steve Synhorst, Ulteig Engineers, Inc. requested this item be deleted.

Discussed Language for Leases Regarding Building Maintenance:

At the last meeting Attorney Stewart was directed to draft some language for our leases to address the matter of building maintenance and establish standards to be met for the condition of buildings. The suggested language was as follows:

**LESSEE'S COVENANT TO MAINTAIN AND REPAIR:**

LESSEE, at sole expense, shall maintain the property located on the demised premises, together with all appurtenances thereto, in good repair during the term of this lease to the satisfaction of the Executive Director of the Municipal Airport Authority. Such duty to maintain repair shall include the interior, as well as the exterior of the property located on the leased area. Such repair and maintenance shall be made with thirty (30) days of notification by LESSOR. In the event LESSEE does not agree with the Executive Director's determination that repair and maintenance is required, LESSEE may appeal the same to the airport Authority Board of Directors. If the parties are unable to reach agreement as to the necessity or extent of repairs and maintenance required, each party will select an architect to examine the property. If the two independently selected architects are unable to reach agreement as to the necessity and extent of repair or maintenance required, they shall select a mutually agreed upon architect. The decision of a majority of the three architects shall then be binding upon the parties.

Discussed Language for Leases Regarding Building Maintenance: (Continued)

Chairman Macdonald stated he would change the two sentences to read: "If the parties are unable to reach agreement as to the necessity or extent of repairs and maintenance required, each party will select an architect to examine the property at their respective expense. If the two independently selected architects are unable to reach agreement as to the necessity and extent of repair or maintenance required, they shall select a mutually agreed upon architect with the cost to be shared equally."

Chairman Macdonald stated this should alleviate problems that arise when hangar owners sell their hangars.

It was the consensus of the board to approve the language and amended and include in all leases upon renewal.

Received Communication from Dr. Tom Nagle Regarding South General Aviation Area Hangar:

Mr. Dobberstein stated Dr. Nagle purchased the red hangar in the south general aviation area (former Aircraft Services hangar) from Dr. Hamilton effective September 1, 2001. He stated at the time the board approved the purchase of this hangar we also approved the assignment of lease of Dr. Nagle's hangar in the north general aviation area to Dr. Hamilton. He stated the lease on the red hangar expires December 31 of this year. He stated a few meetings ago the board discussed that in order for Dr. Nagle to get an extension of that ground lease beyond December 31, 2001, he would need to reassure us or indicate that he would repanel the building or upgrade the maintenance. Mr. Dobberstein stated Dr. Nagle indicated the building was inspected and it was determined that the rust is cosmetic only. He stated he plans to cover or replace the panels within five years, at which time the color could be changed. He stated Dr. Nagle is requesting a five year ground lease, renewable when the color of the hangar is acceptable.

Mr. Pawluk moved to approve the lease extension for five year, ending December 31, 2006, with any renewal subject to new lease language.

Second by Mr. Kilander.

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

Receive Hangar #2 Construction Update and Consider Change Order #3:

Mr. Joe Jenni, TL Stroh Architects, was recognized and explained that the roof specified had multiple layers and now with winter construction that becomes more difficult. He stated they are proposing using a better insulation with a higher R value which will call for fewer layers. He stated this will simplify construction during the winter months. He stated the change was requested by the roofing contractor and will result in a deduct of \$2,285.00.

Mr. Dobberstein stated the other part of this change order is the elimination of the performance bond as the contractor has provided a letter of credit from the bank, which is the way we handled this with the previous hangar project. He stated this results in a deduct of \$1,150.

Mr. Dobberstein stated the net deduct for this change order is \$3,435.00. Mr. Dobberstein stated the change order form before us today shows Change Order #2 but it is actually Change Order #3.

Receive Hangar #2 Construction Update and Consider Change Order #3: (Continued)

Mr. Pawluk moved to approve Change Order #G-3 to the Hangar #2 Project with a net deduct of \$3,435.00.

Second by Mr. Kilander.

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

Mr. Anderson abstained.

Absent and not voting: Clark

The motion was declared carried.

Mr. Jenni stated there was an existing storm sewer line and catch basin centered in the middle of the Fargo Jet Center Cargo Hangar (Hangar #9) which ran diagonal with the footprint of the new building. He stated when they excavated they ran into a fuel oil and water mixture. He stated we can remove the contaminated material down to the base of the excavation and leave any other contaminated material in place. He stated we would then be able to leave the storm sewer line in place and just cap it off. He stated this will remain under the building but should not cause any problems.

Mr. Dobberstein stated we did expect some soil contamination as it showed up in the soil borings during the testing process. What we did not expect was when the clay tile pipe was severed all of the material that had been backed up for a few years all of a sudden came out.

Mr. Dobberstein stated the plan showed the hangar to be located 25' north of the existing Hangar #9. He stated it was brought to our attention last week that the footings were poured 15' from the other building.

Mr. Jenni stated this came up at a construction meeting last Wednesday that instead of the building being 25' from Hangar #9 it is 15" away. He stated he advised the City building inspector and also checked with the Fire Marshall. He stated there are some slight adjustments that will need to be made to the building to accommodate this change. He stated the exit door in the southwest corner will have to be a 90 minute fire door rather than one hour. He stated we will also need to fire seal the joints between the panels rather than just a weather seal. He stated there are also some minor adjustments to mechanical pipes.

Mr. Dobberstein stated the concrete subcontractor has taken total responsibility for this error and will pay any additional costs resulting from this error.

Mr. Pawluk stated the primary reason for locating Hangar #2 25 feet from Hangar #9 was the potential snow load the new hangar could put on Hangar #9.

Mr. Bob Anderson stated the differential will not be that much. He stated we had a structural engineer review the matter and it is not a concern.

Mr. Dobberstein stated he has requested assurance in writing from the structural engineer.

Received Update on Parking Lot Lighting Upgrade:

Mr. Steve Synhorst, Ulteig Engineers, stated with the parking lot project we have been looking at a number of issues. He stated one of those issues was the lighting in the existing lot and whether or not we could use the existing bases for the new poles. He stated they have determined that we cannot use the existing bases.

Mr. Synhorst stated the parking lot lighting is in three phases and they are proposing to wait until spring to do this project and do one phase at a time so that lighting is not interrupted too much. He stated their electrical engineering project put together a cost estimate of \$73,090.

Mr. Anderson moved Ulteig Engineers be authorized to advertise for bids for the parking lot lighting project.

Second by Mr. Kilander.

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

A communication from Mr. Steve Synhorst, Ulteig Engineers, dated November 9, 2001, regarding ND Airport Blast Assessment was received and filed without objection.

Mr. Synhorst stated the ND Aeronautics Commission has instructed Ulteig Engineers, Inc. to coordinate the blast assessment for the terminal buildings at the eight commercial service airports. He stated they have retained the services of Applied Research Associates of Vicksburg, Mississippi. He stated they will look at all eight terminals and conduct a blast assessment for each. He stated they are confident the 300 foot setback will be changed to about 125-150 feet. He stated it all depends on the terminal building.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated we completed the base course of asphalt in the expanded long term lot the day before it snowed. He stated the light poles for that lot are on order. He stated the parking lot has been stripped and is ready for use.

Mr. Dobberstein stated the chain link fence around the perimeter is temporary and when the lot is completed we will install the permanent barrier.

Mr. Synhorst stated we plan on opening Runway 8/26 this morning and if not this morning then sometime this week. The remaining items are electrical and he is on them all the time to get them done.

Mr. Dobberstein stated if things go as planned we will open it to general aviation this morning but we cannot allow commercial airlines to use it until our FAA certification inspector has given it her approval and she will be here November 20.

Mr. Synhorst stated we are behind schedule on completion of this project. He stated he has sent the contractor a letter reminding them that the contract calls for them to request an extension if the project is not done by completion date. He stated it is his personal feeling that they lost about 17 days during the paving operation when they could have been working. He stated they may talk about excess rain but he has reviewed the weather data and it does not support that argument.

Chairman Macdonald stated he thinks we should take into consideration how much the contractor left on the table in this bid.

Received Communication from Ulteig Engineers Regarding Runway 17/35 Reconstruction Project:

Mr. Steve Synhorst, Ulteig Engineers, stated Mr. Steve Obenauer, Manager of the FAA Airports District Office in Bismarck, along with Mr. Tom Schauer from their office, was here on October 24, to meet with he and Mr. Dobberstein. Mr. Synhorst stated they asked if we would be ready to reconstruct Runway 17/35 next summer if they got the money. He stated he does not think there is any way we could be ready by next summer.

Mr. Synhorst stated it appears there is going to be some money available for airports that we were not expecting this soon.

Mr. Dobberstein stated the 2002 AIP entitlement funds should be about \$3.2 billion. He stated Congress, in discussing a economic stimulus package, has talked about an additional \$1-\$3 billion. He stated it is possible that we could have a substantial amount of money available and the Bismarck office wants us to be ready to go. He stated there are some preliminary things we can do prior to construction of 17/35.

Mr. Synhorst stated we are not going to get started on this project until we get the go ahead from the FAA. He stated if we get started on the design of the runway we could have it done by December of 2002 and be ready to go during the 2003 construction season. He stated there are a lot of issues yet to be discussed. He stated when we close 17/35 and use Taxiway A as the runway there is one ditch on the south end that does not meet runway standards. They may either issue a waiver or may require that we install storm sewer and fill in the ditch.

Mr. Dobberstein stated our 2002 entitlement funds have already been spent on the extension of Runway 8/26 so we do not have a construction project for next year. He stated if the FAA gets additional funds in the region as a stimulus package, we want to be ready to accept grant money to fill in the ditch and there is also a lot of other engineering work to be done for the runway project.

Mr. Synhorst stated he is asking for the Airport Authority to authorize them to start the design of the runway project if the FAA says they have the money available for the engineering.

Mr. Dobberstein stated our congressional delegation is aware of our situation and we also have the support of the airlines and the NDANG for completion of the runway project in one year rather than two.

It was the consensus of the Airport Authority that Ulteig Engineers be authorized to proceed with engineering work for the Runway 17/35-reconstruction project, and associated projects, provided the FAA advises us that funds are available.

Other Business:

Chairman Macdonald stated he was at the Northwest Airlines ticket counter the other morning and witnessed the problem the sun is causing since the blinds were removed. He stated he suggests that we authorize our staff to purchase the pull down vinyl shades for the areas experiencing the problems. They would be used only when needed, otherwise they would not be seen.

Other Business: (Continued)

Mr. Dobberstein stated we had heard a comment by one Northwest employee and upon investigation have found that there are differing opinions on the matter. He stated United's computer terminals face straight ahead and the Northwest terminals are at an angle. He stated a shorter person would experience more of a problem. He stated the previous manager at Northwest was looking into something but that didn't happen.

Chairman Macdonald stated we are not talking about a lot of money and directed Mr. Dobberstein to check into the matter.

Chairman Macdonald stated that at the last meeting we tabled an item regarding a bonus for some employees based upon the occurrence of September 11 and the increased activity at the airport. He asked for a motion to take the matter off the table.

Mr. Pawluk moved the item regarding special compensation be brought off the table.

Second by Mr. Anderson.

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

Chairman Macdonald stated the suggestion was made at the last meeting that the Airport Authority award bonuses of \$5,000 to Shawn Dobberstein and Darren Anderson, and \$3,000 to Joan Stading. He asked for comments. He asked Mr. Bromenschenkel if he sees any problem with this.

Mr. Bromenschenkel stated the City of Fargo has given bonuses before.

Chairman Macdonald stated the Municipal Airport Authority is an independent body and people forget that.

Mr. Pawluk stated it will not be the City of Fargo giving these bonuses but rather the Airport Authority.

Mr. Pawluk moved the Airport Authority award bonuses of \$5,000 to Shawn Dobberstein and Darren Anderson, and \$3,000 to Joan Stading.

Second by Mr. Anderson.

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

Mr. Kilander asked that the record show that the vote was unanimous.

Mr. Anderson stated that personally he is disturbed about the salaries. He stated he would like this matter pursued by a committee.

Chairman Macdonald stated he has received responses from about 20 of the 50 airports to which he sent letters requesting salary information. He sent the request to the 25 airports in the nation that are directly above us in boardings and 25 directly below us in boardings. He stated after that information has been compiled we will get into it in depth.

Discussed December Meeting Dates:

Chairman Macdonald proposed that we meet once in December, on Wednesday, December 19, 2001 at 4:00 p.m. and that following the meeting we have some refreshments in celebration of the holiday season and that we invite airport tenants as well.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 27, 2001 at 8:00 a.m. in the Airport Boardroom.  
Time at adjournment was 9:04 a.m.

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Regular Meeting

Tuesday

November 27, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 27, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald

Absent: None

Others: Stewart, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 13, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held November 13, 2001, were approved without objection.

Approved the Airport Vouchers Totaling:

Mr. Pawluk moved to approve the airport vouchers totaling \$17,964.90.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Hansen Design Associates:

Mr. Kilander moved to approve the individual voucher in the amount of \$357.50 to Hansen Design Associates for payment request for professional services in connection with the parking lot tree transplanting project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Hansen Design Associates:

Mr. Kilander moved to approve the individual voucher in the amount of \$275.00 to Hansen Design Associates for payment request for professional services in connection with the airport tree transplanting.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Master Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$17,673.93 to Master Construction for payment request (final) for south general aviation area water/sewer project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Border States Paving:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,309.60 to Border States Paving for payment request for paving in connection with the southeast general aviation area water/sewer project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$809.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the FAA Glide Slope Road Project (FAA will reimburse).

Second by Dr. Clark.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Received Communication from Ulteig Engineers, Inc. Regarding the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP25:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we are about 99% done with this project. He stated the only item left on the perimeter road project is the seeding and the seeding contractor has told us that he will be here with all of his equipment as soon as the farmers are in the field next spring.

Received Communication from Ulteig Engineers, Inc. Regarding the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP25: (Continued)

Mr. Synhorst stated he received a request from Nodak Contracting for a 30-day time extension of their contract. Mr. Synhorst stated Nodak Contracting was low on the paving portion of the project with a bid of \$5,137,000. He stated the next bidder was \$5,882,000. He stated on the electrical portion Nodak was low at \$297,385 and the next bidder was \$343,802. He stated Nodak Contracting left about \$750,000 on the table.

Mr. Synhorst stated that the airlines lost a couple of flights since the runway was not completed in time. He stated the completion date was October 15 and they were about 30 days late.

Mr. Synhorst stated the upside was that when the FAA certification inspector did her inspection she said it was one of the best projects she has seen as far as the dirt work, etc. He stated he provided the board with copies of his response to Nodak and he is open for questions.

Mr. Bob Anderson asked Mr. Synhorst if he feels he was lenient in his thought process. He asked how things went on the job.

Mr. Synhorst stated he feels things went well. He stated, as he indicated in his letter, that precipitation for May-September was average. He stated he understands there is some problem with scheduling crews when you have more than one project, but he feels there were 17 days they lost that they could have been paving.

Mr. Pawluk asked what are the consequences of not granting the extension.

Mr. Synhorst stated liquidated damages would amount to \$672 per day (\$20,160). Mr. Synhorst stated it is his opinion that we might be able to grant a couple of weeks but he does not feel it should be 30 days. He asked if a Nodak representative was present. No representative was present.

Mr. Synhorst stated the problem he has with granting the entire 30 days, if they should get another airport project in the future they will come with the opinion that if they got an extension last time they will get one this time, too. Mr. Synhorst stated he does not want to set a precedent.

Mr. Pawluk stated he agrees.

Chairman Macdonald stated he stated after reviewing this matter, he would grant a 20 day extension.

Mr. Dobberstein stated the board can do whatever it wishes. He stated it is part of Mr. Synhorst's contract with the airport to report situations such as this to the board.

Mr. Synhorst stated if the project is not completed by the date stated the FAA wants to know the circumstances. He stated they will need a contract extension for the seeding work.

Chairman Macdonald stated he feels we should take into consideration the money they left on the table.

Mr. Pawluk stated if it was his business and there was an opportunity to be granted a forgiveness of \$20,000 he would certainly be present at the meeting.

Mr. Synhorst stated today's adverse weather might have something to do with that. He stated he could go back to Nodak and advise them where the Airport Authority sits on the matter and come up with an agreement. He stated he will represent the best interest of the Airport Authority. He added that he was a little frustrated when he would go to the jobsite and see paving lines ready to go but nothing happened for four or five days. Mr. Synhorst stated he knows they were at the Grand Forks Air Force Base finishing that project. He stated the project foreman told him that this project was number two on their list and he advised him that he does not care what number we were, October 15 was the completion date and there were reasons for that. He stated we were fortunate that the weather cooperated as much as it did.

Received Communication from Ulteig Engineers, Inc. Regarding the Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP25: (Continued)

Mr. Dobberstein stated a lot of their problems were caused by the electrical contractor. He stated that once the electricians did show up they created a whole bunch of problems for the dirt people by leaving ruts from their vehicles.

Mr. Pawluk stated he does now know why we are talking about this.

Mr. Synhorst stated Nodak is asking for a time extension. If the Airport Authority grants the extension then the penalty will not be assessed. He again offered to take it back Nodak and give them another chance to respond. He added that we should grant a time extension for the seeding work.

Mr. Pawluk moved the Airport Authority grant the time extension but not forgive the penalty.

Chairman Macdonald stated he does not understand that. If you grant a time extension there is no penalty.

Mr. Synhorst stated they did not have the runway open and ready for operation by the completion date. He stated he can take this back to Nodak and indicate to them that the board is leaning toward a full penalty.

Mr. Pawluk stated he thinks that is a waste of time. He stated if it was that important to them they would be here today.

Mr. Anderson asked if the FAA has to approve this since we are dealing with federal funds.

Mr. Synhorst stated the FAA used to approve all change orders but they have now left it up to the owners. He stated the FAA would probably not have any problem with a time extension.

Chairman Macdonald stated he would like Mr. Synhorst to take the matter back to Nodak as he does not see any big rush.

Mr. Pawluk's motion died for lack of a second.

With no other motion being offered, Mr. Synhorst stated he would take the matter back to Nodak and get a response from them and report back to the board.

Mr. Pawluk stated he does now know why we want to encourage the controversy and have to deal with this issue for a third meeting. He stated it is not that tough of a position to take and apparently they were expecting this, as they are not even here.

Consider Change Order #2, Southeast General Aviation Area Water/Sewer Project, Master Construction, and Final Payment Request:

Mr. Steve Synhorst, Ulteig Engineers, stated the change order is basically to pay the contractors that were hired to complete the work left unfinished by Master Construction. Border States Paving completed some asphalt work (\$1,309.60) and Red River Service removed rock and reseeded along 23<sup>rd</sup> Avenue North (\$3,105.15). Total of these two items is \$4,414.75.

Mr. Synhorst stated Ulteig Engineers had an additional invoice of approximately \$2,100, which they are going to pull as there is an issue between Master Construction and Ulteig Engineers, which they will negotiate. He stated the Airport Authority is square with Ulteig Engineers. He stated the project is now final and the punchlist is completed.

Mr. Kilander moved to approve Change Order #2, as outlined, to the southeast general aviation area water/sewer project.

Second by Mr. Anderson.

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

Received Update Regarding Airport Liability Insurance Renewal Process:

Mr. Dobberstein stated he provided the board members with copies of e-mail from Mr. Alan Winters, Marsh, who is our broker that places our airport liability insurance. He stated last year we paid \$47,850 for \$100 million coverage. He stated right now the initial quotation from AIG is \$71,275 for the same coverage, but not including excess auto coverage. He stated the insurance industry is reviewing and coming to some terms with the financial impact of September 11. He indicated he would keep the board advised.

Received Update Regarding Passenger Boarding Bridge Project:

Mr. Dobberstein stated he and Mr. Darren Anderson have been working with Mr. Bill Cowman, Foss Associates, on the new passenger boarding bridge. He stated that by noon tomorrow we hope to finalize the specifications with representatives from Northwest Airlines. He stated when we acquire the new bridge, part of the project is to move Northwest's bridge currently at Gate 1 to Gate 2, with the new bridge to be located in the Gate 1 position.

Mr. Dobberstein stated we plan to open bids December 17, just prior to our next meeting and should be ready to award the bid at our meeting on December 19. He stated we should have the bridge available late April or early May.

Chairman Macdonald asked if Northwest Airlines would pay us per operation for rent or a flat fee per month.

Mr. Dobberstein we are negotiating with Mr. John DeCoster, Northwest Airlines, on those details. He stated we will give Northwest Airlines preferential use of this bridge, just as we do with Air Wisconsin and Atlantic Coast on Gates 3 and 4. He stated the cost is \$50 per operation with a monthly maximum of \$1,500. He stated he has not seen this in writing, but Northwest is proposing is they would agree to do all of the preventative maintenance on all four bridges in exchange in a reduction for the rent amount.

Received Hangar #2 Construction Update:

Mr. Joe Jenni, TL Stroh Architects, stated the footings and foundation for Hangar #2 are 100% complete. He stated the underground utilities are also 100% complete. He stated they should be close to finished with the pre-cast. He added that the door should be delivered by mid December.

Received Request from Valley Video for a One Year Extension to Their Game Room Agreement:

Mr. Dobberstein stated he received a verbal request from Mr. Jim Steen, Valley Video. He stated they assumed the contract from Advanced Amusements this past year and they pay us 40% of the gross revenue. He stated it was his intention to advertise for proposals for the game room at the end of the year, but in light of what they have done to improve the game room he would recommend extending their contract for one year.

Mr. Pawluk moved the board grant a one year extension for the operation of the game room to Valley Video and that we seek proposals one year from now.

Second by Mr. Kilander.

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

Considered Request from North Dakota Air National Guard for Temporary Office Space:

Mr. Dobberstein introduced Sgt. Edwardson, NDANG, and also distributed a floor plan of the Eastside Terminal showing the office space in question.

Sgt. Edwardson was recognized and stated in light of the events of September 11, the Guard has decided to hire a full time family support position. She stated because of the access issues on base they have decided the best location for that office would be off the base. She stated unfortunately the funding from the Guard Bureau specifically states that funding cannot be used for lease payments. She stated they are requesting the use of the available space in the Eastside Terminal on a gratis basis. He stated the Guard would like to do something for the Airport Authority in exchange for the space and would be open to suggestions.

Mr. Dobberstein stated this would be a temporary situation probably until conditions change on the base. He stated the Airport Authority has always responded favorably to requests from the NDANG.

Mr. Pawluk asked Sgt. Edwardson is this space meets their needs.

Sgt. Edwardson stated of the two spaces available in the Eastside Terminal this is the one they preferred.

Mr. Kilander moved the Airport Authority grant the request of the NDANG for gratis space in the Eastside Terminal.

Second by Dr. Clark.

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

Attorney Stewart now absent.

Authorized Attendance at the International Council of Airshows, Orlando, FL, December 9-12, 2001:

Mr. Dobberstein stated for the past number of years the members of the Airsho Committee has asked him to attend the International Council of Airshows and he has never been able to attend but this year he agreed to do so. He stated right now the Airsho Committee is paying his airfare and possibly this board would agree to pay his room and board while there. He stated they could also chose to pay the airfare if they wished.

Mr. Pawluk moved the Airport Authority authorize airfare, room and board for the Executive Director to attend the International Council of Airshows, Orlando, FL, December 9-12, 2001.

Second by Dr. Clark.

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

Other Business:

Mr. Pawluk asked Mr. Steve Synhorst, Ulteig Engineers, for an update on the Runway 17/35 Reconstruction Project.

Mr. Synhorst stated we are in a hold position right now until we hear from the FAA on funding. He stated the FAA/ADO in Bismarck realizes that we are ready to proceed and we will do so as soon as we hear from them that funding is available.

Other Business:

Dr. Clark stated the student group working on the restaurant project is getting ready to print and mail out the survey forms. She asked how the costs for those items would be handled.

Mr. Kilander moved the Airport Authority reimburse NDSU for the costs related to the restaurant survey.

Second by Mr. Anderson.

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

Mr. Anderson asked for an update on the 300 foot parking restrictions.

Mr. Dobberstein stated the State has put the bomb blast analysis on hold. He stated in a conference call with the ND Aeronautics Commission last Friday, and they advised the airports that they are going to approach the ND State Highway Patrol and start from the state level to do the threat assessment. He stated if they agree to do it they would then contact the police chief in each of the four cities and also the sheriffs in those counties. He stated if they collaborate with information on whatever the threat assessment is, they may also rely on the local FBI office to provide some information.

Mr. Pawluk stated it has been at least a week since the bill was authorized, it will probably be at least another two or three weeks before they decide what to do, and then it will be another three or four weeks before they do it, so it will probably be until spring before we get our short term parking back.

Chairman Macdonald stated he thought that would be optimistic.

Mr. Pawluk asked if there is something we can do to expedite the process.

Chairman Macdonald stated if he was the State Highway Department he would say "no way."

Mr. Dobberstein stated no one wants the liability.

Chairman Macdonald stated it is going to come down to the State Aeronautics Commission and they are going to have to hire a consultant.

Mr. Synhorst stated the problem there is if it is put on hold we are going to fall further behind in the order.

Chairman Macdonald asked what it would cost us to have this assessment just for Fargo.

Mr. Dobberstein stated he felt the figure quote before was \$10,000. He stated he is certain the FAA will require this piece of the puzzle in relaxing parking restrictions.

Chairman Macdonald stated he would recommend that we authorize Ulteig Engineers to contact this consulting firm and set a dollar amount (\$10,000) to have them come to Fargo and issue a bomb assessment.

Mr. Pawluk asked if we need a threat assessment as well.

Mr. Synhorst indicated we do not need both a bomb blast analysis and a threat assessment.

Other Business: (Continued)

Mr. Kilander moved that the Airport Authority allocate up to \$10,000 for a bomb blast assessment, to be overseen by the Executive Director, and that Ulteig Engineers hire a firm to conduct that for us as soon as possible.

Second by Mr. Pawluk.

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

Mr. Synhorst stated he will try to get some idea of cost and time frame today.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Wednesday, December 19, 2001, at 4:00 p.m. in the Airport Boardroom. (This will be the only meeting in December).

Time at adjournment was 8:45 a.m.

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Regular Meeting

Wednesday

December 19, 2001

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Wednesday, December 19, 2001, at 4:00 p.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Clark, Pawluk, Macdonald

Absent: Non

Others: O'Keefe, Bromenschenkel

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 27, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held November 27, 2001, were approved without objection.

Approved the Airport Vouchers Totaling \$29,544.30:

Mr. Kilander moved to approve the airport vouchers totaling \$29,544.30.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Northern Improvement:

Dr. Clark moved to approve the individual voucher in the amount of \$28,356.99 to Northern Improvement for payment request for construction of runway 8/26, Perimeter Road Project, AIP 3-38-0017-24.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Dr. Clark moved to approve the individual voucher in the amount of \$446,217.99 to Nodak Contracting for payment request for general construction of Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP 3-38-0017-25. (Includes FAA glide slope road and NDANG arm/disarm apron.)

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Dr. Clark moved to approve the individual voucher in the amount of \$150,232.75 to Nodak Contracting for payment request for electrical construction of Runway 8/26 Extension, West Perimeter Road, Taxiway A Intersection, Project AIP 3-38-0017-25. (Includes NDANG arm/disarm apron.)

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Nodak Contracting:

Dr. Clark moved to approve the individual voucher in the amount of \$45,001.91 to Nodak Contracting for payment request for construction of Cass Country Drain 10 Project, APFC01.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Border States Paving:

Dr. Clark moved to approve the individual voucher in the amount of \$79,057.84 to Border States Paving for payment request #7 for parking lot improvement projects.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Flint Communications:

Dr. Clark moved to approve the individual voucher in the amount of \$576.00 to Flint Communications for payment request for airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Cass County Treasurer:

Dr. Clark moved to approve the individual voucher in the amount of \$6,613.80 to Cass County Treasurer for special assessment for Drain #3 and Drain #10.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$1,160.20 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Cass County Drain #10 Reroute, Project APFC01.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$13,986.35 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Runway 8/26 Extension, West Perimeter road, Taxiway A Intersection, Project AIP 25.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Dr. Clark moved to approve the individual voucher in the amount of \$4,303.10 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the airport parking lot projects.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to TL Stroh Architects, Ltd.:

Dr. Clark moved to approve the individual voucher in the amount of \$2,054.35 to TL Stroh Architects, Ltd. for payment request for architectural services in connection with Hangar #2 Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Hansen Design:

Dr. Clark moved to approve the individual voucher in the amount of \$220.00 to Hansen Design for payment request for professional services in connection with the tree relocation plan.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Big Tree Nursery:

Dr. Clark moved to approve the individual voucher in the amount of \$510.00 to Big Tree Nursery for payment request for services in connection with the parking lot tree project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$1,985.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with parking lot lighting upgrade study.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$4,303.10 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot improvement projects.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$664.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the FAA glide slope road (FAA will reimburse).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Olaf Anderson & Son:

Dr. Clark moved to approve the individual voucher in the amount of \$233,338.43 to Olaf Anderson & Son for payment request #2 for construction of Hangar #2.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Mr. Anderson abstained.

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Dr. Clark moved to approve the individual voucher in the amount of \$1,847.67 to Foss Associates for professional services in connection with the passenger boarding bridge project (APFC 05).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Continue Discussion Regarding Runway 8/26 Project Extension:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated with regard to our previous discussions on liquidated damages against Nodak Contracting for not meeting the project completion date. He stated at the last meeting it was decided that he would represent the Airport Authority in negotiations with Nodak Contracting. He stated since that time there have been some extra items that Nodak is claiming arose during the job. He stated they have not yet reached an agreement. He stated they are looking for about \$50,000 in extras and are currently looking at \$36,000 worth of liquidated damages so it is his suggestion that we call it even and walk away from it.

He stated this matter will be tabled until the next meeting and he will continue to represent the Airport Authority in negotiations.

Received Change Order #4 Associated with Hangar #2 Project and Consider Alternate:

Mr. Dobberstein stated the board members have been provided with a copy of a letter from Mr. Jed Krieg, Olaf Anderson & Son, to Mr. Joe Jenni, TL Stroh Architects, indicating the costs associated with the contaminated soil for the Hangar #2 project. He stated the total of these costs was \$59,839.78.

Mr. Pawluk moved to receive and file the communication from Olaf Anderson & Son and approve Change Order #4.

Second by Dr. Clark.

Mr. Dobberstein stated that Mr. Mark Shannon, Northern Technologies, is present today and able to answer any questions from the board.

Mr. Shannon stated this contamination was handled the same as the other hangar project, however with this project the contamination was more severe.

Received Change Order #4 Associated with Hangar #2 Project and Consider Alternate:  
(Cont'd)

Mr. Pawluk stated these numbers seem excessive and he would like assurance from someone that the airport's interests are being represented.

Mr. Dobberstein stated Mr. Terry Stroh, TL Stroh Architects, is representing the interests of the airport.

Mr. Stroh stated they have been monitoring the testing process and it was a mess.

Mr. Shannon stated that Mr. Jenni was quite involved in the process.

Mr. Stroh stated he is satisfied with the results and the costs involved.

Mr. Shannon stated we need to keep in mind that there is still a lot of contaminated soil still there. He stated we simply met the requirements to haul away that which was disturbed. Mr. Shannon stated the contamination consisted of old jet fuel, low level organics, and very little gasoline.

Mr. Pawluk asked if this goes back to tanks Northwest Airlines had.

Mr. Dobberstein stated we discussed that, but in doing some other research and the fact that there could have been several contributors to the contamination, it was determined that the net gain to us after all of the "fingerprinting" we would have to do would not be worth it.

Mr. Dobberstein stated because we did not require the contractor to remove the storm line we should see some type of savings, although he has not yet seen the final figures on that, so we should see some savings there.

Mr. Bob Anderson stated in comparison to the other hangar that was built this year, this building had contamination in an area about half of the building and in addition to that the entire utility service that was excavated outside of the facility had to be removed. He stated the contamination costs for the last hangar project was \$80,000.

Chairman Macdonald called for a vote on the motion.

On the call of the roll, members Kilander, Clark, Pawluk and Macdonald voted aye.

Mr. Anderson abstained.

The motion was declared carried.

Chairman Macdonald stated the alternate bid we are considering today is the cost for the actual office construction itself. He stated we already approved any alterations to the building that needed to be done in order to accommodate the office space alternate. Cost of the alternate is approximately \$90,000.

Chairman Macdonald stated it is his recommendation that we table this matter until we hear more from the National Guard Bureau as to their intentions for the lease.

There was some discussion on temporary heating of the hangar with regard to pouring the floor. It was the consensus that the matter would be tabled until the next meeting.

Considered Change Order #3, Border States Paving, Parking Lot Improvement Projects:

Mr. Synhorst, Ulteig Engineers, stated this request for Change Order #3 from Border States amounts to \$6,734.09. He stated the biggest item was to Dakota Fence in the amount of \$3,225.00 for temporary fencing around the parking lot since we were not able to install the guardrail this fall. He stated the second item is to Fargo Electric Construction in the amount of

Considered Change Order #3, Border States Paving, Parking Lot Improvement Projects:  
(Cont'd.)

\$1,500.00 to lower the security cable in the southeast general aviation area and \$1,000.00 to reinstall outlets in the guardrails. He stated there were a couple of other minor items. He stated he has reviewed all of these items and recommends approval

Mr. Anderson moved to approve Change Order #3, Border States Paving, to the Parking Lot Improvement Projects.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Discussed North General Aviation Area Hangar Lease Agreements:

Mr. Dobberstein stated the Valley Aviation and Fargo Jet Center hangars the Airport Authority built in the north general aviation area are leased with the option to buy. He stated the interest rate was subject to change at the end of the fifth year, which was last year, and the board agreed to extend the 4.1% interest rate for one year (Feb 1, 2001 – January 31, 2002).

Mr. Dobberstein stated he and Chairman Macdonald met with Mr. Jim Sweeney and Dr. Hamilton to identify a financial indicator from which we could determine an interest rate to be used from that point into the future. He stated they decided to use the 10 year AA rated municipal bond interest rate in effect on the first business day of January, as published in the Wall Street Journal. He stated that rate would be in effect for the payment due on February 1 and each month thereafter for the remainder of the fiscal year.

Mr. Pawluk moved to approve the 10-year AA rated municipal bond interest rate as the financial indicator for the lease agreements with Fargo Jet Center and Valley Aviation.

Second by Mr. Kilander.

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

Received Communication from Aviation Resources Regarding Cargo Operation:

Mr. Dobberstein stated it was recently brought to his attention that there was a cargo operation between Fargo and St. Paul and he found out that Aviation Resources had gone into the cargo business on or about October 1. He stated he spoke with Torey Pretzer, their Director of Operations, and he indicated they had been hired to haul cargo between Fargo and St. Paul. He stated he advised Mr. Pretzer that these operations are subject to a minimum \$5 landing fee. He stated Mr. Pretzer did bring up a point that would be valid not only for Aviation Resources but also for Fargo Jet Center.

Mr. Dobberstein stated that Mr. Pretzer indicated in his letter of December 5, that they are currently paying 1.5% on any revenue they receive for this operation and would like to be exempt from either the landing fee or the 1.5% so they would not be paying twice.

Mr. Dobberstein stated he would agree with this. He stated it had been his understanding that Fargo Jet Center's cargo operations were separate from the FBO operation but that was not the case.

Received Communication from Aviation Resources Regarding Cargo Operation: (Cont'd)

Mr. Dobberstein stated when this matter came up he polled the other airport directors in the area, including two airports in South Dakota. He stated with the exception of Sioux Falls, none of the directors were aware of an FBO with a cargo operation. He stated they all agreed that the operator should pay one or the other, but not both, and they agreed it should be the landing fee that is paid.

Mr. Dobberstein requested that Attorney Stewart be directed to draft an amendment to the FBO operating agreement stating that the 1.5% calculation not include revenues received from a cargo carrier for the operation of an aircraft. He stated this change would be effective January 1, 2002. He stated on the certified report provided to the Airport Authority each month should show this amount as a deduct from the total gross revenue.

Chairman Macdonald stated we went through a similar situation with the car rental agencies and it appears on the surface that we are getting into the same kind of thing here. He asked if we would be better off to waive the landing fee rather than all of the subtracting.

Mr. Pawluk stated the reason he likes what Mr. Dobberstein is recommending is that all of the landings should be reported.

Mr. Kilander moved the Airport Authority accept Mr. Dobberstein's recommendation to amend the FBO operating agreements to exempt cargo operations from the 1.5% payment to the Authority.

Second by Mr. Anderson.

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

Received Update Regarding Airport Liability Insurance Renewal:

Mr. Dobberstein stated Marsh Aviation, an aviation insurance broker, has represented our interests for a number of years. He stated if we wish to renew our airport liability insurance with our current carrier, AIG, for the same amount of coverage (\$100 million), our premium will go from last year's premium of \$48,000 to a minimum of \$71,275. He stated this policy will not include excess auto coverage and also excludes war risk coverage. He stated to add the war risk coverage would be an additional \$19,140.

Mr. Dobberstein stated the broker conveyed to us that AIG will not provide excess automobile coverage, which is basically for exposures off the airport. Mr. Dobberstein stated the City of Fargo retains the services of AON Risk Management to advise them on their insurance matters. He stated AON does have some concern about the airport not having excess automobile liability coverage should we use our vehicles in the state of Minnesota.

Mr. Dobberstein stated that Attorney Stewart seems comfortable that the excess auto liability coverage is not a concern in North Dakota because of the state statute limiting liability to \$250,000/\$500,000 for municipalities and their subdivisions.

Mr. Dobberstein stated we need this matter resolved before midnight on December 31.

Chairman Macdonald stated he would like to defer any action on this until we have looked further into the excess auto coverage.

Received Update Regarding Airport Liability Insurance Renewal: (Cont'd)

Mr. Jim Sweeney stated he used to work for AON, who are knowledgeable consultants so the City of Fargo has chosen well. He stated Marsh is the world's largest insurance broker and they have the clout with AIG to get the best pricing. He stated AIG is the country's largest insurance company and one of the few remaining aviation insurance underwriters. He stated they are essentially the only underwriters that write worldwide coverage on everything and they are writing their own aviation coverage. He stated the other aviation companies are usually made up of a whole bunch of other insurance companies that put a group together to write aviation coverages.

Mr. Sweeney stated on the war risk side, he stated for their corporate operation, it was the first week in October that everyone's policies in America lost their war risk coverage. He stated they got a call from their broker advising it was cancelled but that they could buy it back. He stated in their case it was a figure for liability and a figure for aircraft and they wrote a check for \$30,000 to buy back the insurance on just some of their fleet. He stated he thinks the Airport Authority would want that coverage. He stated it is expensive but everyone has seen those same types of increases.

Mr. Dobberstein stated it is always our goal to have the insurance renewal resolved long before this time, but after September 11 that was not possible. He stated the early indications for the renewal premium were at about \$150,000, so the insurance industry has settled down somewhat since then.

Mr. Pawluk stated he feels we should call Dawson Insurance and find out if we can buy coverage for just our automobiles. He stated we might also want to consider lowering out liability limit.

Mr. Dobberstein stated our AON advisor was the one who recommended we increase to the \$100 limit.

Mr. Sweeney stated he would recommend holding on to the highest limits the airport can get.

Mr. Kilander stated he feels we should go along with the recommendation of our consultants.

Mr. Kilander moved to authorize the Executive Director and Chairman Macdonald to work with AON on the insurance renewal.

Second by Mr. Pawluk.

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

Received Communications from Executive Aviation and Bernie Ness Regarding Assignment of Lease for South General Aviation Area Hangars and Igloo:

Mr. Dobberstein stated he received a communication from Dr. Clif Hamilton dated December 14, 2001, that Executive Aviation has sold its igloo and hangar to Northwest Leasing LLP (Bernie Ness), and requested that the ground lease be transferred.

Mr. Dobberstein stated Mr. Ness's letter of December 17, indicated his intention for use of the hangar. He intends to store aircraft in the hangars and may attempt to rent the igloo as office space. He also plans to replace the siding on the hangar doors and door trim next spring.

The communications from Dr. Hamilton and Mr. Ness were received without objection.

Mr. Kilander moved to approve the assignment of lease from Executive Aviation to Northwest Leasing LLP, and directed Attorney Stewart to draft the assignment of lease, including the new provisions regarding maintenance.

Received Communications from Executive Aviation and Bernie Ness Regarding Assignment of Lease for South General Aviation Area Hangars and Igloo: (Cont'd)

Second by Mr. Anderson.

Mr. Pawluk asked Mr. Ness if he understands that the future of the building after the current lease term is unknown.

Mr. Ness indicated he understands the Airport Authority's intention. He stated if he does make major improvements to the building he will request an extension to the lease.

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

Other Business:

Chairman Macdonald read a communication dated December 19, 2001, from Dr. Clif Hamilton, stating that the assets of Aviation Resources, Ltd. and Executive Aviation have been sold to Fargo Jet Center. He is requesting the Airport Authority transfer any leases to the businesses as they request.

Mr. Pawluk asked if the board could take any action on this request since it was not an item on the agenda.

Mr. Dobberstein stated he checked with Attorney Stewart prior to the meeting and he advised this request could be approved under the item "Other Business."

Mr. Kilander moved the Airport Authority allow the transfer of leases from Aviation Resources, Ltd. and Executive Aviation to the appropriate Fargo Jet Center entities.

Second by Mr. Pawluk.

Mr. Jim Sweeney was recognized and stated they have been negotiating for several months on this acquisition. He stated Dr. Hamilton is pleased and they are certainly pleased as well.

Mr. Pawluk asked Mr. Sweeney what changes he foresees.

Mr. Sweeney stated they will take all of the facilities and resources they now have and evaluate everything, as there is some redundancy, such as the number of fuel trucks. He stated they will be moving the charter operation and the line operation and fuel sales to the facility they are purchasing. He stated they are not yet sure where the flight instruction operation will be located. He stated the maintenance operation will be in their existing blue buildings. He stated in addition to the asset purchases, and this purchase is strictly assets, they did not purchase the companies, they did purchase the Waypoint Avionics company, which will continue to operate. Mr. Sweeney stated the transfer will take place at 5:00 p.m. on Friday.

Mr. Pat Sweeney was recognized and stated this is a big move for them and a big challenge. He stated they have appreciated the support from the Airport Authority in the past and will look forward to support from the board in the future.

Mr. Pawluk asked about their plans for the fuel farm on the south.

Mr. Pat Sweeney stated they plan to terminate the Jet A service on the south, move an additional tank into the north fuel farm, and put self serve tanks in the south area. He stated if someone on the south end still wants service they will be happy to do that as well.

Mr. Sweeney stated the competition has been severe for years and no one was able to make a profit. He stated just because they are the only full service FBO on the field now does not mean they are going to jack up their fuel prices. He stated they are still competing in the regional market and will continue to make the fuel prices competitive whether they are coming from England, Los Angeles, or Jamestown.

Other Business: (Cont'd)

Chairman Macdonald called for a vote on the motion.

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

Adopted Resolution of Appreciation to Dr. Clif S. Hamilton and Family:

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

WHEREAS, the Municipal Airport Authority would like to recognize its long standing relationship with the Hamilton family, Dr. Clif S. Hamilton, Jr., Yvonne Hamilton, Robert Hamilton, and the late Clif S. Hamilton III, and

WHEREAS, the Hamilton family has owned and operated businesses on Hector Airport since 1984, including Aviation Resources, Ltd, Valley Aviation, Aircraft Services, Flight Training, Executive Aviation and Waypoint Avionics, and has now sold the assets of those companies, and

WHEREAS, the Municipal Airport Authority and the entire aviation community has appreciated the efforts of the Hamilton family to further the development of aviation and their service to the aviation community, and

WHEREAS, the Municipal Airport Authority has appreciated the service of the staff of the Aviation Resources, Ltd. entities and look forward to their continued efforts in the aviation community.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority does hereby thank the Hamilton family and wish them the best in their future endeavors.

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 the members of the Hamilton family.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Clark, Pawluk and Macdonald voted aye.

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

Other Business:

Mr. Gib Bromenschenkel stated the Fargo Airsho 2002 will be held June 8-9 and the committee will start meeting tomorrow morning and would appreciate any help possible.

Chairman Macdonald stated the Fargo Airsho Committee can rest assured that the Municipal Airport Authority will cooperate in any way we can.

Chairman Macdonald stated he just returned from a trip on which he went through security at four different airports and the security checkpoint in Fargo was definitely more professional, they did a better job and did it faster than any of the other airports.

Other Business: (Cont'd)

Mr. Synhorst stated the engineer from Applied Research was here earlier this week to gather information for our blast assessment and he should come back to us within 45-60 days with a recommendation of how close we can park to the terminal.

Mr. Bernie Ness, Avis, was recognized and stated anything that can be done will be appreciated because their customers are starting to complain.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, January 8, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 5:13 p.m.