

Regular Meeting

Tuesday

January 8, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 8, 2002, 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 December 19, 2001:

The minutes of the regular meeting of the Municipal Airport Authority held December 19, 2001, were received without objection.

Approved the Airport Vouchers Totaling \$18,120.37:

Mr. Kilander moved to approve the airport vouchers totaling \$18,120.37.

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 Forum Publishing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$122.64 to Forum Publishing for legal advertisement for passenger boarding bridge project (APFC05).

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 \$5,908.33 to Flint Communications for payment request for airport marketing program.

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 T.L. Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,286.87 for payment request for architectural services in connection with the Hangar #2 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 \$1,527.86 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot improvement 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.

Approved the Individual Voucher to Ulteig Engineers:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,003.38 to Ulteig Engineers, Inc. for engineering services in connection with the Runway 8/26 and Taxiway C Extension, West Perimeter Road, Project AIP25.

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 \$871.95 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Safety Area, Drain #10 Reroute, 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 carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,748.25 to Ulteig Engineers, Inc. for payment request for engineering 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 Paul Bunyan Tree Service:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,175.00 to Paul Bunyan Tree Service for payment request for cleaning shelterbelt in preparation for tree relocation this spring.

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 Bids and Recommendation of Award from Foss Associates for Passenger Boarding Bridge:

Mr. Dobberstein stated we received bids for the Passenger Boarding Bridge on January 3, 2002.

The bids for the passenger boarding bridge and recommendation of award from Mr. Bill Cowman, Foss Associates, were received and filed without objection.

Mr. Bill Cowman, Foss Associates, was recognized and stated that we received two bids, one from Dew Bridge (\$499,753.00) and the other from FMC Technologies/Jetway Systems (\$403,384.00). He stated FMC Technologies was the low bidder and their bid contained a list of clarifications and qualifications. He stated he asked Attorney Stewart to review these and they were compared with the bid for the jetway that was purchased just a couple of years ago. He stated the list in that bid was similar but not quite as lengthy. He stated the Airport Authority chose to include in the specification for this bid the "Supplemental Conditions" that have been adopted by the City of Fargo.

Attorney Stewart stated he has reviewed the list of qualifications/clarifications and he feels we can go along with most of them.

Mr. Cowman stated the one item that FMC seems to have the biggest problem with is the indemnification clause. He stated in looking at the bid from three years ago the same question was asked and it was waived under the contract, so the board might want to take the same action as they did then.

Mr. Cowman explained that in the bidding process they use the standard AIA 201 General Conditions. He stated in recent months the City of Fargo has established supplemental conditions tailored specifically to this area. He stated this was in response to recent events concerning the FargoDome and the Island Park Parking Ramp.

Received Bids and Recommendation of Award from Foss Associates for Passenger Boarding Bridge: (continued)

Mr. Dobberstein stated upon the advice of Attorney Stewart we included these supplemental conditions in this bid, as well as our bid for the Hangar #2 project.

Mr. Cowman stated for the last boarding bridge we had just two requests for plans and received only one bid. He stated for this bid we received three requests for plans and received two bids. He added that one of the differences between this project and the last one is the relocation of the bridge at Gate 1 to Gate 2.

Mr. Dobberstein stated another difference is the request from Northwest Airlines to include an air conditioning unit (\$60,000). He added that the estimated cost for moving the jetway from Gate 1 to Gate 2 is \$20,000.

Mr. Dobberstein stated when this project was approved for PFC funding it was not known that Northwest Airlines wanted an air conditioning unit so we might have to go back and amend our PFC application due to the additional cost.

Mr. Dobberstein stated Northwest has now also requested a baggage valet system. He stated the cost for this is approximately \$19,000.

Mr. Dobberstein stated we will enter into a preferential use agreement with Northwest Airlines, just as we have done with Atlantic Coast and Air Wisconsin on the other two jetways. He stated our agreement with them is \$50 per operation or a maximum of \$1,500 per month. He stated we can do the same with Northwest Airlines, or, they are also proposing that they would handle the preventative maintenance on the new bridge as well as the other two bridges we own. He stated there is some value to that service and that would be credited to the agreement.

Mr. Anderson asked if we should have that agreement in place before we buy the bridge.

Mr. Dobberstein stated he has no concern about that.

Chairman Macdonald stated we will certainly negotiate with them on the maintenance of the bridge, but he stated he does not want to get into a situation where we may think it needs maintenance but they don't think it does.

Mr. Anderson stated it was his concern that we not purchase the bridge until we have such an agreement in place.

Chairman Macdonald stated he recommends we accept this bid.

Mr. Dobberstein stated he has not yet received a request in writing for the baggage valet, which is basically a vertical lift for use with regional jets. He stated this is used for gate checked items so when you get off your aircraft the bags are right at the gate.

Mr. Kilander stated this lift sounds like quite a customer friendly item and for only \$19,000 would be a good investment.

Mr. Cowman stated there might be some movement limitations for the bridge with the addition of this vertical lift.

Mr. Dobberstein stated if we find that the lift would affect the full range ability of the bridge we would not want that option. He stated he would like the board to approve this option subject to a written request from Northwest Airlines, their agreeing to the increase in the PFC, and also that the installation of the device does not affect the mobility of the bridge.

Mr. Pawluk stated he would like to see us look at a higher fee for the use of the bridge, especially with the additional equipment.

Received Bids and Recommendation of Award from Foss Associates for Passenger Boarding Bridge: (continued)

Chairman Macdonald stated after 9-11 the airlines went to many airports around the country and asked for a reduction in fees but they did not come to us. He stated he thinks it might have something to do with the appreciation reception we held for the airlines and he feels they deserve some consideration for what has happened since 9-11.

Mr. Kilander stated it is hard to find someone as fiscally conservative as he is, but he feels there is a time to invest money and a time to look at our mission as an authority. He stated anything we can do to increase the services we should consider.

Mr. Cowman stated one final matter is financial. He stated FMC is asking for 20% payment once the shop drawings are approved and then the balance at the time installation is complete. He stated rather than retainage they are asking for an escrow line of credit at a local bank.

Mr. Anderson moved to award the bid for the passenger boarding bridge to FMC Technologies, subject to the following:

- Mr. Dobberstein's successful negotiations on the vertical lift
- Mr. Dobberstein's successful negotiations on a lease agreement with Northwest Airlines
- The Airport Authority has agreed to the financial terms of 20% down upon approval of shop drawings and an escrow line of credit at a local bank in lieu of retainage.

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.

Discussed Departure Lounge Projects:

The communication from Mr. Dobberstein to the board members regarding the possibility of entering into a contract with Foss Associates to design access to restrooms from the departure lounge, was received and filed without objection.

Mr. Dobberstein stated Mr. Cowman has been working with us regarding the replacement of the security roll-up gate at the checkpoint, which failed just before Christmas. He stated the new door is on order and should be here in four to five weeks. He stated Mr. Cowman and his staff will assist the contractor with the surgical removal of the sheetrock, wallpaper, etc.

Mr. Dobberstein stated the increased congestion of passengers in and around the checkpoint area during flight time. He stated we should look at this in conjunction with the amount of time the airlines want their passengers here before flight time. He stated he would like us to review how we can put restrooms in the departure lounge, but on a broader scale, look at what else we can do to alleviate congestion in the checkpoint area.

Mr. Anderson stated he entirely agrees with the idea. He asked if we have a continuing agreement with Foss Associates regarding their fees.

Mr. Dobberstein stated it has been the board's practice to work with Foss Associates on any matters with the terminal building, as they were the designing architects.

Discussed Departure Lounge Projects: (Continued)

Mr. Anderson indicated he would agree with that. He was just wondering about any compensation agreement.

Mr. Cowman stated in the past they have consulted on matters such as the roll-up door and have not charged the airport for their services. He stated this is just part of their continuation of service. He stated if there is a matter where more time is required then they work on an hourly basis until the scope of the project is determined. He stated once we determine the scope of the project we would then enter into an agreement with an established fee.

Mr. Cowman stated this is an opportunity to take a broad look at the affect 9-11 has had on this terminal. He stated there are things we can do to alleviate congestion and improve customer service. He stated this is a customer service business and we can look at what we can do to make it as comfortable as we can for customers of the airport. He stated he has no idea what will be involved but he has been talking with Mr. Dobberstein and Mr. Darren Anderson and we can also involve the airlines in our discussions. He stated right now he does not have a feel for what the overall cost will be.

Chairman Macdonald asked Mr. Cowman if he could come up with some type of concept by the next meeting (January 22).

Mr. Cowman indicated that might be too soon but if he comes up with something before then he will let Mr. Dobberstein know.

Mr. Bob Anderson stated he is of the opinion that we should have some type of long term, "time and material" type of agreement with Foss Associates. He stated he is in agreement that we should work with Foss on matters involving this building.

Mr. Cowman stated there are typically two other people, in addition to himself, in their firm who have worked closely with the Airport Authority, Architect Patrick DeLaPointe and Interior Designer Shelly Richards.

Chairman Macdonald stated it is his opinion that we may wind up with a semi major modification in that area.

Mr. Dobberstein stated the main thing is that the board has indicated its support on this matter.

Mr. Pawluk stated he thinks we have an opportunity to look at the gate, the restrooms, the departure lounge, and those items tie in with the restaurant remodeling as well. He stated he does not think it is as much of an issue of how much is the architect going to charge us to tell us what you think we should do, as it is how soon can Foss get back to us with a couple of concepts that tie all of this together.

Mr. Pawluk stated he has not yet had a chance to talk with Mr. Haug about this matter, but he would like to see the board take immediate steps to encourage passengers to wait in what is now the "smoking" area of the restaurant. He stated he feels there should be some signage directing people to wait in that area and that if the board agrees with that concept then we should make that a "NO SMOKING" area, which makes the only smoking area in the bar.

Chairman Macdonald stated he would like Mr. Pawluk and Mr. Dobberstein to work that out with Mr. Haug.

Reviewed Draft Master Plan Summary Information and Update Status:

Mr. Dobberstein stated Mr. Steve Wagner, Coffman Associates, forwarded us copies of this Draft Master Plan Summary Information and Update Status recently.

Chairman Macdonald stated he could bring copies of the last four Airport Master Plans and everyone of them forecasts inflated increases in passenger boarding and it never happens. He stated this one shows a 60% increase in passengers by 2020. He stated he does not know that we are going to do anything with these figures, but if we are going to make decisions based on these numbers he does not see that. He stated he worries about us using this as a planning tool.

Mr. Dobberstein stated this board has done a good job in following through with the projects listed on our current Master Plan. He added that it may not be too late for Coffman Associates to review these figures.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated this is used as a marketing tool. He stated when it comes down to an FAA funded project you have to justify a project with hard statistics.

Mr. Darren Anderson stated he recalls conversation at a meeting indicating they were not going to use date along with figures, but rather use the figures as milestones. For example, when you hit 250,000 passengers you will want this size terminal.

Chairman Macdonald stated it was his understanding that they were not going to use dates along with these numbers.

Mr. Dobberstein stated Mr. Wagner may be here at the next meeting or the first meeting in February. He stated he and Mr. Synhorst will be meeting with Mr. Wagner and Mr. Steve Obenauer, FAA Airports District Office in Bismarck sometime soon.

Received Update on Hangar #2 Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that the roof on Hangar #2 is almost complete. He stated they are working on the concrete for under the door. He stated that is as far as they are going to go with the concrete until the Airport Authority decides what they want to do as far as heating the building and moving ahead with pouring the floor. He stated that if we decide not to go ahead with the floor at this time, once the doors are on it will basically act as a refrigerator until we decide to move ahead.

Mr. Dobberstein stated he has not been able to get ahold of Gen. Haugen to discuss the potential lease for the drug helicopter unit. He stated the defense department budget has been approved but we are not certain of the details for the drug unit. He stated he would look to Mr. Bob Anderson for his advice on pouring the floor.

Mr. Bob Anderson stated by the next meeting they should be as far as they can go on the building.

Mr. Dobberstein stated he would recommend that we heat the building and get the floor done right away.

Received Update on Hangar #2 Project: (Continued)

Chairman Macdonald stated he would like to leave that decision up to Mr. Dobberstein.

Mr. Dobberstein stated he would check on the details of the lease the helicopter group has with Mr. Paul Bernabucci and how long they are committed in that lease.

Mr. Stroh stated the longer we wait now after the building is enclosed, the longer it will take for the frost to come out of the ground.

Mr. Pawluk stated when you come into this building you see the nice plaque commemorating the construction of this building. He stated he does not necessarily think we need the same type of plaque but he would like to see that cornerstone information on the new hangars we have constructed on the airport.

Chairman Macdonald stated he thinks the architect normally handles that matter.

Mr. Stroh stated he will check into that.

Mr. Stroh stated as far as heating the hangar and moving ahead with the floor, he stated if the tenant is committed to their current lease until October then he would wait with the floor.

Mr. Pawluk stated he agrees. If we have a use for the building right away then we should move ahead with the floor, otherwise we should wait.

Mr. Dobberstein stated he will report at the next meeting on the details of their current lease.

Authorized Replacement of 1990 Toro Mower:

Mr. Dobberstein stated we would like to replace our 1990 Toro which is used for both mowing and snow removal with the broom attachment. He stated the unit has about 3,000-4,000 hours on it.

Mr. Dobberstein stated the timing is right for us to partner with the Fargo Park District as they are advertising for bids to be opened January 30. He stated they will be bidding for two of the same type of machine, however theirs will not have the cab. He added that we can use the same broom attachment which we purchased just recently.

Mr. Pawluk moved to authorize replacement of the 1990 Toro Mower.

Second by Mr. Kilander.

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

Other Business:

Mr. Dobberstein provided the members with a copy of an e-mail regarding the bomb blast analysis. He asked Mr. Steve Synhorst, Ulteig Engineers, to explain the status.

Mr. Synhorst stated on Friday he received some e-mails from Mr. Ray Gomez, FAA, advising that the bomb blast analysis requirements have changed. He stated the 300 ft. setback from terminal buildings is based on a 500 lb. explosive, which would fit in a sedan. He stated if you look at a 4,000 lb. explosive, which is a passenger cargo van, you are talking about a 640 ft. building setback. He stated at this time all blast assessments have been put on hold. He stated all of the assessments that Applied Research had done for airports in South Dakota have been turned down.

Mr. Dobberstein stated he has forwarded all of this information to Emmett O'Keefe on Senator Dorgan's staff this morning. He stated right now the Senator's hands are tied.

Other Business:

Chairman Macdonald stated a couple of months ago the Airport Authority unanimously approved bonuses for some of our employees based upon the events of 9-11. He stated that direction to pay those bonuses was given to the City of Fargo, who, under the agreement we have with them, administers our checking account in exchange for an annual fee of \$50,000.

Chairman Macdonald stated it is his understanding by state law that the Airport Authority is an independent body which, in this case, was created by the City of Fargo. He stated at the direction of the Mayor, the City has refused to pay those bonuses and they have not been remitted to the employees. He stated he wants it understood by everyone that those employees did not receive those bonuses.

Mr. Pawluk stated he would be curious about the action taken to disallow the action taken by the Airport Authority. He asked if it was a City Commission action.

Chairman Macdonald stated the Mayor acted on his own and intercepted the action of the Airport Authority.

Mr. Kilander stated he met with the Mayor and discussed this matter along with some other Airport Authority matters, including salary matters. He stated the Airport Authority has a lot of discussing to do to decide how we are going to move ahead. He stated from the information he has reviewed, there is no question that the Airport Authority's feet are firmly planted in state statute. He stated at one point in his conversation with the Mayor he indicated that if the board made an issue out of it he would get rid of the whole board and reappoint.

Chairman Macdonald stated he wanted it understood for the edification of those people who read the minutes of the meetings and have congratulated Shawn and Darren that they need to take back their congratulations because they did not receive the bonus.

Chairman Macdonald stated the City of Fargo has done salary surveys and as far as airport positions the only cities in our region that would be comparable would be Duluth and Sioux Falls but the City has decided arbitrarily taken the position that those cities would not be representative. He stated he conducted a salary survey for airports in the country directly above or below us in boardings and found that Fargo was third from the bottom for the Airport Director and at the bottom for Assistant Director, by a significant amount.

Mr. Kilander stated that is the approach he took with the Mayor and his concern was that if we adjust the salaries according to the information we have gathered that it is going to goof up everything that the City has done. He stated his contention is that would be comparing apples to oranges. He stated he need to be competitive in the marketplace for jobs that our people are doing in similar sized airports. He stated the Mayor feels that is difficult to plug into the current structure.

The meeting of the Municipal Airport Authority was adjourned to executive session to discuss a pending matter of litigation.

Time at adjournment was 8:57 a.m.

Chairman Macdonald stated following the executive session the board would resume to receive a presentation on a Flight Information Display System.

Annual Meeting

Tuesday

January 22, 2002

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 22, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Pawluk, Macdonald  
Absent: Kilander, Anderson  
Others: O'Keefe

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 8, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held January 8, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$18,078.27:

Dr. Clark moved to approve the airport vouchers totaling \$18,078.27.  
Second by Mr. Pawluk.  
On the call of the roll, members Clark, Pawluk and Macdonald voted aye.  
Absent and not voting: Kilander, Anderson  
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 \$116,746.78 to Olaf Anderson & Son for payment request #3 for construction of Hangar #2.  
Second by Dr. Clark.  
On the call of the roll, members Clark, Pawluk and Macdonald voted aye.  
Absent and not voting: Kilander, Anderson  
The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$321.62 to Foss Associates for payment request for architectural services in connection with the passenger boarding bridge project.

Second by Dr. Clark.

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

Absent and not voting: Kilander, 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 \$610.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with parking lot lighting project.

Second by Dr. Clark.

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

Absent and not voting: Kilander, 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 \$332.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the FAA Glide Slope Road (FAA will reimburse).

Second by Dr. Clark.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Received Update on Hangar #2 Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Hangar #2 is now enclosed with the roof and the door being complete. He stated at the last meeting we discussed the possibility of heating the hangar but no decision was made.

Mr. Dobberstein stated he did talk to Gen. Haugen regarding the counter drug helicopter unit who is interested in leasing the hangar, but their lease with Paul Bernabucci goes through September 30. He stated the only out in that lease is if they were not funded. He is not aware of anyone who would be interested in occupying the hangar on a short term basis until the guard is able to lease it.

Mr. Pawluk stated he would be in favor of waiting to complete the hangar rather than heating it now to complete the work. He stated the only way he would be in favor of getting it done right away would be if the contractor anticipated an increase in concrete costs.

Mr. Stroh stated he got the impression from Mr. Bob Anderson that the bid price will be the same whether we do it now or later. He added that concrete costs normally stay quite stable.

Received Update on Hangar #2 Project: (Continued)

Mr. Pawluk asked Mr. Dobberstein if the Airport Authority has any use for the building at this time.

Mr. Dobberstein stated not without a floor.

Mr. Pawluk asked if we would consider allowing someone to use the building in exchange for the cost of heating from now until October.

Chairman Macdonald recommended that the board leave it up to the discretion of the Executive Director and the Chairman to determine when to complete the floor and to negotiate a short term lease with anyone who might be interested in using the building with the floor either completed or as it is.

Received Communication from Gerald Eid:

The communication from Mr. Gerald Eid dated January 11, 2002, was received and filed without objection.

Mr. Dobberstein stated Mr. Eid purchased our old maintenance shop some time ago and has put quite a bit of money into that facility. He stated Northwest Airlines is in the process of removing the metal storage building behind that building and Mr. Eid is interested in the possibility of leasing the land north of his building for another hangar. He is requesting a 90 day right of first refusal.

Chairman Macdonald stated he feels 90 days is too long. He indicated 30 days should be adequate.

Mr. Pawluk agreed that a 90 day right of first refusal would take it off the market for anyone else. He added that with the current configuration in the south general aviation area there are really only two sites for potential new hangars. Mr. Pawluk asked what would be the advantage to the Airport Authority.

Mr. Dobberstein stated there would be no advantage to the Airport Authority one way or the other, but it would give Mr. Eid some time to bring something before us. He stated Mr. Francis Butler has a 90 day right of first refusal on the property to the east of his hangar and that set the precedent for the 90 days.

Mr. Pawluk moved the Airport Authority grant Mr. Eid a 30 day right of first refusal for the property designated on Exhibit A, and that such right of first refusal will expire with a 30 day notice from the Airport Authority.

Second by Dr. Clark.

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

Received Update from Travel Agent Association of Fargo-Moorhead:

Mr. Dobberstein stated he has attended one of the meetings held by the Travel Agent Association of Fargo-Moorhead. He stated there are several members of the group here today who have a request before the Airport Authority.

Paula Brueckner (AAA Travel) was recognized and stated there are six travel agency offices that belong to their association - AAA Travel (two offices)

Bursch Travel  
Kvamme Travel  
Travel Travel  
Travel Planners

Received Update from Travel Agent Association of Fargo-Moorhead: (Continued)

She stated the mission of their group is to bring travel agents together to promote travel to and from the Fargo-Moorhead area, and also to educate travelers on the ins and outs of travel. She stated right now they are working on a full-page section in The Midweek every week in which anyone can advertise. They will also use the space for travel stories and advertisements.

Chairman Macdonald stated we handle all of our advertising through an agency but asked what the group would expect from the Airport Authority at this meeting.

Ms. Brueckner stated they are just here to inform the Airport Authority. She stated they wanted the board to know that they could purchase advertising on their travel page.

Mr. Dobberstein asked how they picked the Midweek.

Ms. Brueckner stated the main factor in choosing the Midweek was the fact that it is delivered to the door of anyone who wishes to receive it.

Mr. Dobberstein asked how many travel agencies there are in Fargo-Moorhead and if membership in their association is exclusive.

Ms. Brueckner stated the door is always open. She stated when they first started they invited all travel agents but since the idea of a group has been tried before and failed so many of them are hesitant to become involved. She stated they have been successful so far and they have found the system of working together has helped. She stated there are a lot of people who have a lot more confidence in travel agents following the events of 9-11, for example, travel agents were able to get refunds for their passengers faster than those not using travel agents.

Ms. Cindy Tyo, Travel Travel, added that as a group they may also have more clout with airlines to schedule more charters.

Chairman Macdonald thanked the group for coming and advised them that the Airport Authority would welcome any comments or constructive criticism from travel agents as our goal of getting people to fly out of our airport is the same.

Continued Discussion Regarding Restaurant Project::

Dr. Clark stated she asked the faculty and staff to provide us with a timeline of the project but she has not yet received that. She stated she would like to have this item on the agenda for the next meeting and invite the faculty and staff to attend.

Mr. Pawluk stated last week he, along with Mr. Dobberstein and Mr. Darren Anderson, met with Mr. Bill Cowman, Foss Associates, and with Mr. Pete Haug, Barnstormer. He stated they talked about the redesign of the security area and the addition of restrooms in the departure lounge. He stated as an offshoot from that discussion, it was decided that we should move toward making the entire restaurant non-smoking and if it takes board action he will initiate that.

Mr. Dobberstein stated we should have something on record, however, the Barnstormer already initiated the change yesterday. He stated now the only smoking in the building is in the bar/lounge. He stated the reason for this change was that the waiting line for the security check point often extends toward the restaurant.

Continued Discussion Regarding Restaurant Project:: (Continued)

Mr. Dobberstein stated that Mr. Bob Suchan, our main HVAC technician from Robert Gibb & Sons just happened to be here while we were discussing the matter and he indicated he could quite simply extend a return duct in the bar area to keep the smoke away from the non-smoking areas.

Mr. Pawluk stated Mr. Suchan also indicated we could install a smoke eater if necessary. He stated that is something we would wait with. He stated with the restaurant remodeling we may wind up with the bar in a different location anyway.

Chairman Macdonald stated he feels we should wait and see if we start to detect smoke in that area but not move ahead with anything yet.

Received Communication From Northwest Airlines Regarding Passenger Boarding Bridge:

The communication from Mr. William Bourassa, Senior Design Manager, Northwest Airlines, dated January 9, 2002, regarding jet bridge requirements for the CRJ aircraft, was received and filed without objection.

Mr. Dobberstein stated when we received bids for the passenger boarding bridge it was awarded to FMC Jetway, subject to the conditions or qualifiers FMC included in their bid. He stated Attorney Stewart did review those and we responded to FMC and they have accepted all of the terms. He stated still pending is the addition is the valet/baggage lift system that has been requested by Northwest Airlines for use with regional aircraft. He stated he and Darren Anderson have spoken with Garrett Macfarlane, FMC Jetway, and he reassured us that the comments made in Mr. Bourassa's letter are based upon a lift device that is different than that proposed by FMC. He stated we are waiting for some drawings from FMC. He stated we need for Northwest to get together with FMC and agree on the device.

Mr. Pawluk stated that before we spend the extra money on this unit we should make sure that Northwest Airlines definitely wants it and will use it and that it will not hinder the operation of the jetway.

Chairman Macdonald stated he would like to leave it up to Mr. Dobberstein and Mr. Darren Anderson to work with Northwest Airlines on this baggage lift system.

Mr. Dobberstein stated FMC anticipates installation of the jetway to be complete by the last week in May.

Received Communication from Auto-BAHN Regarding Assignment of Lease:

Mr. Dobberstein stated he anticipated a communication from Auto-BAHN but he did not receive it.

Mr. Dobberstein stated he spoke with someone from Wells Fargo Bank who is working on an assignment of lease to Wells Fargo Bank on the Auto-BAHN facility. He stated he would like the Airport Authority to approve the assignment of lease, subject to the approval of Attorney Stewart and the signature of the Chairman. He stated this is simply a detail for financing arrangements.

Mr. Pawluk moved the Airport Authority approve the assignment of lease to Wells Fargo bank for the Auto-BAHN facility, subject to the approval of Attorney Stewart.

Second by Dr. Clark.

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

Received Sponsorship Request from the US Air Race Association:

The communication from US Air Race, Incorporated, dated January 16, 2002, was received and filed without objection.

Chairman Macdonald stated the US Air Race, Incorporated, has requested our sponsorship of an "air race".

Mr. Dobberstein stated he was contacted by Gen. Darrol Schroeder and Dick Walstad regarding this event for which they wanted Fargo to be considered as the start and finish city for this air race. He stated a group met recently with Mr. Jon Livers, Executive Vice President and CEO of Nodak Mutual Insurance here in Fargo, who has been a participant in this race for a number of years.

Mr. Dobberstein stated US Air Race, Inc. is proposing to bring in up to 60 aircraft to participate in a cloverleaf race. He stated they arrive at this airport and then the participants fly to a destination approximately 300 miles from Fargo and then return. The second day they fly to another city within that range and also return to Fargo. He stated they are proposing to make this the first international event in their association's history by flying into Canada. He stated the proposed dates for the event is July 13-19, 2002.

Mr. Dobberstein stated the goal is to promote general aviation and would bring recognition to the airport. He stated the event does benefit Fargo-Moorhead greatly. He stated they needed \$15,000 up front in order to make the event happen and it is his understanding that Nodak fronted that money. He stated they are hoping that organizations such as the Airport Authority, the Convention Bureau, Fargo Jet Center, Texaco, and others will also donate funds. He stated they have requested \$5,000 from the Airport Authority. He stated the money goes to US Air Race, Inc. to be used for prize money, advertising, etc.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated he feels this sounds like a very positive event for general aviation.

Chairman Macdonald stated the exposure for Fargo and Hector International Airport would be good.

In answer to question from Mr. Pawluk, Mr. Dobberstein stated the event will probably be held on the south general aviation area near the Air Museum, as they will probably be hosting some of the events. He stated there may also be a collegiate division of the race.

Mr. Pawluk moved to authorize the Airport Authority donate \$5,000 for sponsorship of the FARGO 300 AIR RACE.

Second by Dr. Clark.

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

Received Communication from Danny Schatz Regarding South General Aviation Area Fuel Truck Use:

Mr. Dobberstein stated we did not receive the communication from Mr. Schatz.

Mr. Dobberstein stated he has talked to Mr. Danny Schatz and he is looking for authorization to move his fuel truck here from the Minot airport to fuel his aircraft. The truck is currently located at the Petro truck stop in south Fargo. He stated he received information from the Minot airport regarding requirements he met there. He stated we had a situation like this a few years ago when Sioux Falls Aviation had a fuel truck on the field to fuel their aircraft. He stated he

Received Communication from Danny Schatz Regarding South General Aviation Area Fuel Truck Use:

has advised Mr. Schatz that only his own aircraft can be fueled from this truck and if it is discovered that anyone else is being fueled from that truck then the truck leaves the airport.

Dr. Clark authorized the Executive Director to enter into an agreement with Mr. Schatz regarding his fuel truck.

Second by Mr. Pawluk.

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

Reviewed Revised Capital Improvement Program Information:

Mr. Dobberstein stated we normally submit our Capital Improvement Program to the FAA in June or July, but due to 9-11 they have requested this early because of the need for some additional security related items. He stated we have submitted to the FAA a request for them to update our access control system. He stated we have a Johnson Controls system and they have an upgrade available for the system and we would go from an analogue card to a digital card. He stated right now airport employees with access to the Security Identification Display Areas (SIDA) have both an access card and an identification badge. He stated this upgrade will allow us to combine the two.

Mr. Dobberstein stated the FAA's priority for funding of these items is that airports would tap their entitlement funds first. He stated we have committed our FY 2002 entitlement funds to our Runway 8/26 extension project. He stated hopefully the FAA Airports District Office in Bismarck will request discretionary funds for us.

Mr. Dobberstein stated the other critical item on this plan is related to the reconstruction of Runway 17/35 in 2003. He stated before we can use Taxiway A as a temporary runway we have to address the drainage area on the south end, west of Taxiway A. He stated Mr. Synhorst has estimated costs of \$215,000 to address the drainage area.

Mr. Pawluk asked if the modifications of the terminal to accommodate the security checkpoint would be eligible for federal funds.

Mr. Dobberstein stated if we are modifying the checkpoint area to reduce congestion we believe those items may be eligible for entitlement funds, or more preferably PFC funds. He stated we will probably move ahead with the changes and submit the expenses.

Chairman Macdonald stated in this process he wants us to make sure that what we are doing will not have to be done over when the security equipment changes. He wants us to look beyond our present situation.

Mr. Pawluk stated he would like to see us try to get discretionary funds for the building modifications first.

Mr. Dobberstein stated he is not aware of any airport in the country who has received discretionary dollars for terminal development. He stated it would be eligible for entitlement funds but not for discretionary. He added that on February 18 the federal government takes over the checkpoint and we are not sure of everything that will be involved.

Received Communication from the FAA Regarding Airport Property Leases:

The communication from Steven Obenauer, FAA Airports District Office, dated January 11, 2002, was received and filed without objection.

Mr. Dobberstein stated this letter is in response to a request he made in September 2001 regarding the use of airport property for non-aeronautical purposes. He stated this request was prompted by an inquiry from NDSU about the possibility of expanding the research and technology park that is currently under construction to the west of the FargoDome. He stated as they run out of room for expansion in the Tech Park, NDSU may be interested in a 40-acre tract currently leased by NDSU for agricultural production. He stated they are proposing a non-aeronautical use of property purchased by the Airport Authority with federal funds. He stated there are a lot of stipulations that go along with that. He stated the FAA has indicated they agree this would be a concurrent use of airport property.

Mr. Dobberstein stated the Airport Authority's goal is using this as revenue generating property to offset the costs of operating the airport. He stated he, Chairman Macdonald and Mr. Pawluk met with Keith Bjerke, NDSU.

Mr. Pawluk made the motion as follows:

"Whereas NDSU has cooperated with the Municipal Airport Authority in the establishment of navigation easements protecting the approach to Runway 35, and has given special consideration to protecting the approach to Runway 31 by agreeing to refrain from Tech Park construction in the extended centerline of Runway 31, and by acknowledging noise and vibration considerations requiring special construction techniques to mitigate those concerns at NDSU expense when construction takes place on NDSU property; the Municipal Airport Authority authorizes the Chairman and Executive Director of the Airport Authority to negotiate amendments to the NDSU Farm Lease for Parcel #8, E1/2, Section 26, giving NDSU a 90 day right of first refusal to lease the southern 41.2 acres for non-aeronautical uses related to technology/industrial park uses, with the right to sublease to the NDSU Research and Technology Park. The length of the term, price and other terms of the lease are subject to future negotiation at commercially reasonable rates. The Right of First Refusal shall be valid for 10 years. Any lease is subject to the FAA conditions as expressed in the January 11, 2002 letter from the FAA Airports District Office. This motion also includes the authority to negotiate such other amendments to the current lease as may be required, subject to approval by the MAA board."

Second by Dr. Clark.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Received Update Regarding Parking Lot Lighting Upgrade Project:

Mr. Steve Synhorst, Ulteig Engineers, stated we will be receiving bids for the parking lot lighting upgrade project on February 7 and will make a recommendation of award at the meeting on February 12.

Other Business:

Chairman Macdonald asked for an update on the removal of the 300-foot vehicle restriction.

Mr. Steve Synhorst, Ulteig Engineers, stated he just spoke with the consulting firm yesterday, Applied Research Associates, and they are back on line. He stated he believes Fargo is in the loop now as far as their evaluation process. He stated they will analyze the 500 lb, 1,000 lb. and 4,000 lb. explosive within the 300 foot area. He stated they will make their recommendation to the FAA based on their analysis.

Mr. Dobberstein stated he talked with AAAE last week and so far the approval rate for airports is 50-50, so about half of the airports making the request were denied. Mr. Dobberstein stated the FAA Civil Aviation Security Field Office, the Department of Transportation in conjunction with the Justice Department, FBI, ATF, the new Transportation Security Administration under the DOT, and they are all trying to figure out who's on first and who's on second.

Mr. Dobberstein stated we are proceeding with the blast analysis and we are also working with the ND Aeronautics Commission on a threat assessment, which is part of the blast analysis that is submitted to the DOT for the waiver reduction.

Elected Chairman of the Municipal Airport Authority for Calendar Year 2002, as per Bylaws:

Mr. Pawluk moved to elect Mr. Bob Anderson Chairman of the Municipal Airport Authority for calendar year 2002, as per the bylaws.

Second by Dr. Clark.

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

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 2002, as per Bylaws:

Mr. Pawluk moved to elect Dr. Virginia Clark Vice Chairman of the Municipal Airport Authority for calendar year 2002, as per the bylaws.

Second by Dr. Clark.

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

Adopted Resolution of Appreciation to Outgoing Chairman, Gen. Alexander P. Macdonald:

Dr. Clark offered the following resolution and moved its adoption:

WHEREAS, Gen. Alexander P. Macdonald has just completed a year as Chairman of the Municipal Airport Authority of the City of Fargo, North Dakota, and

WHEREAS, During the year of Gen. Macdonald's chairmanship the Municipal Airport Authority has moved steadily and successfully forward during a year that produced many changes and trials in the aviation industry, and

WHEREAS, Gen. Macdonald has labored diligently and given unsparingly of this time in serving as Chairman of the Municipal Airport Authority.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority does hereby commend Gen. Macdonald for his effective efforts on behalf of the Municipal Airport Authority and Hector International Airport.

Adopted Resolution of Appreciation to Outgoing Chairman, Gen. Alexander P. Macdonald:  
(continued)

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 Gen. Alexander P. Macdonald.

Second by Mr. Pawluk.

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

Chairman Macdonald passed his vote.

Absent and not voting: Kilander, Anderson

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 12, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:20 a.m.

Regular Meeting

Tuesday

February 12, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 12, 2001, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Solberg

Chairman Anderson presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 22, 2002:

The minutes of the Annual Meeting of the Municipal Airport Authority held January 22, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$23,485.21:

Dr. Clark moved to approve the airport vouchers totaling \$23,485.21.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to USDA/APHIS:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,484.50 to USDA/APHIS for partial payment for USDA wildlife hazard study.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,372.13 to TL Stroh Architects for payment request for architectural services in connection with the Hangar #2 project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,481.40 to Flint Communications for payment request for airport marketing program.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$145,986.13 to Olaf Anderson & Son for payment request #4 for construction of Hangar #2.

Second by Dr. Clark.

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

Mr. Anderson abstained.

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$146.73 to Forum Communications for advertisement for bids for parking lot lighting upgrade project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$2,486.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot lighting upgrade project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$576.58 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Drain #10, Runway 8/26 Safety Area, Project APFC01.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$630.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PFC amendment.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,799.15 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 Dr. Clark.

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

Absent and not voting: Kilander

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 \$994.00 to Ulteig Engineers, Inc. for engineering services in connection with the property survey update.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Authorized Attendance at the Upper Midwest Aviation Symposium, March 2-5, 2002, Bismarck, ND

Mr. Dobberstein stated we have just now received registration information for the Upper Midwest Aviation Symposium, March 2-5, 2002. He stated we also received a request from ND Aviation Council requesting that we pay for lodging for Mr. Gordon Person and Mr. Warren Walkinshaw, the two gentlemen from our area receiving the Charles Taylor Award for their 50 years in aviation maintenance.

Mr. Pawluk moved the Airport Authority authorize attendance at the Upper Midwest Aviation Symposium, March 2-5, 2002, Bismarck, ND, by airport management staff and board members, and that we pay for one nights lodging for Mr. Person and Mr. Walkinshaw.

Second by Gen. Macdonald.

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

Authorized Attendance at the AAE Advanced Airport Safety and Operations School, April 7-10, Minneapolis, MN;

Mr. Dobberstein stated Mr. Darren Anderson and Mr. Henry Swedberg (Airfield Maintenance Supervisor) have requested to attend this seminar.

Mr. Pawluk moved that Mr. Anderson and Mr. Swedberg be authorized to attend the AAE Advanced Airport Safety and Operations School in Minneapolis.

Second by Dr. Clark.

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

Received 4<sup>th</sup> Quarter 2001 PFC Report:

The 4<sup>th</sup> Quarter 2001 PFC Report was received and filed without objection.

Received Update on Hangar #2 Project:

Mr. Dobberstein stated Mr. Stroh was not able to be here today. He stated he talked to Jed Krieg, Olaf Anderson, yesterday and they have completed the poured base for the hangar doors and all that is left is to install the doors. He stated as it sits right now the floor will not be poured until the board determines, unless the architect and contractor determine that it is appropriate. He added that we are still holding on the office alternate.

Chairman Anderson stated he is not certain the alternates will not be good if we wait too long. He suggested we check with Mr. Jed Krieg to see how long the numbers will be good. He stated he knows the reason the subcontractors got the alternate work was because it was during the winter and they were looking for projects.

Mr. Kilander now present.

Received Communication from Fargo Aero Tech, Inc.;

Mr. David Lundeen, owner of Fargo Aero Tech, was recognized and stated he and his manager, Mr. Emory Babolian, have decided they are going to look into the possibility of servicing fuel on the airport grounds. He stated they have hired an outside company to help us put together a plan to present to the Airport Authority on fueling. He stated they hope to have their plan before the board in the next few weeks.

Received Update from Flint Communications Regarding Airport Marketing Program:

Ms. Christy McLachlan, Flint Communications, was recognized and distributed copies of the proposed advertising budget for 2002. She stated the budget for 2002 is \$100,000 and as per instructions from the board, they have taken out \$7,500 for advertising with the Travel Agents Association.

Ms. McLachlan stated the billboards will be running during July, August and September this year. She stated "Al Timeter" is on vacation for a while so they have some new creative to propose. She also provided the list of rural newspapers in which they will run ads. She stated in the past they have had on and off months, depending upon when the airport has been busy, but this year they have decided to be more consistent and even throughout the year.

Mr. Dobberstein stated he would like confirmation from the board that they wish to continue advertising in the Grand Forks newspaper. He stated we do get some comments from the greater Grand Forks area on that but there are people from that area that use our airport.

Mr. Pawluk stated he feels it is very appropriate.

Mr. Kim Kemmer, Flint Communications, was recognized and stated that "Al Timeter" is on an extended sabbatical. He stated we are all aware of the affect that last fall has had on the travel industry. He stated they are trying to be as perceptive as possible to what is happening in the travel industry as well as the mood of people in the country. He stated as it pertains to travel from Fargo, we need to change how we position air travel. He stated one of the things they would like to focus on is why leisure travelers do travel. He presented a series of three advertisements which they feel have an emotional appeal, with the theme "Spread Your Wings."

Mr. Kemmer stated they also have an ad with the theme "Compare The Fare" which could be used only during those times when we would have fares to advertise.

Mr. Dobberstein stated the problem with listing airfares is that they are really a snapshot in time as fares are changing constantly. He stated we would need to include a disclaimer and list the source of the fare on any advertisement.

Mr. Pawluk asked if we could go to both Northwest and United and see if they would be interested in running such a promotion. He stated if we promote a fare that people are not able to get then we are better off not advertising fares.

Mr. Dobberstein stated we could check with their sales people. He stated they could not agree together as that would be collusion.

Mr. Dobberstein reminded the board that our newsletter comes out of the operations and maintenance budget and the marketing budget comes out of the airport improvement funds.

Gen. Macdonald moved to approve the marketing budget as proposed by Flint Communications.

Second by Mr. Pawluk.

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

Receive Update from Foss Associates Regarding Departure Lounge Area:

Mr. Bill Cowman, Foss Associates, was recognized and stated there are a couple of items we need to discuss today before reviewing the proposed plans for the departure lounge area. He stated right now we are working on the replacement of the security roll-up gate. He stated Meinecke-Johnson will start dismantling the top panel and remove the existing gate on Wednesday evening.

Receive Update from Foss Associates Regarding Departure Lounge Area: (Continued)

Mr. Cowman stated when the panel is replaced, David Heck has asked if it would be possible to come back in with a lighter weight panel so if there are maintenance problems with the door at some time in the future the panel can be removed to have access to the door. He stated they have checked with Cook Sign about the possibility of constructing a light weight aluminum panel system that could be easily removed by two people to get access to the door. He stated they received a price on that as well as a price from Meinecke-Johnson to replace the panel with a similar type of construction in place now, which is chip board on steel stud, which is a heavier weight panel and harder to remove at some time in the future. The quote from Meinecke-Johnson was \$4,800 and the quote from Cook Sign was \$4,200.

Mr. Cowman stated the other option with the aluminum panel is to possibly put some type of lettering on the aluminum panel, serving as a gateway to the departure lounge. He stated these could be painted on or vinyl letters. He stated that is something the board can think about for a while, but we do need a decision on the panel itself.

Chairman Anderson asked Mr. Cowman what he would recommend.

Mr. Cowman indicated he liked the idea of the aluminum panel.

Mr. Kilander moved to accept the recommendation of Foss Associates and accept the proposal from Cook Sign Co. for \$4,200.

Second by Dr. Clark.

Mr. Cowman added that the aluminum panel would be able to be used again with any future modifications to the checkpoint area.

Chairman Anderson called for a vote on the motion.

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

Mr. Cowman stated he would be here this evening when the project is started. He added that we are going to try to preserve as much of the sidewall as possible.

Mr. Cowman stated the board has asked them to come up with some options for expanding the meeter/greeter area near the security checkpoint. He stated they have come up with two options.

Mr. Cowman stated there are some issues that need to be addressed and become a little bit costly in terms of relocation. He stated on either side of the curved glass block wall are two vertical mechanical chases which are for the boiler system and the building generator. He stated they have looked at what they can do while leaving those chases in place and eliminate the cost of relocating those.

Mr. Cowman stated Option A calls for the security checkpoint to be moved back 10 ft., which would give us approximately 400 SF of expanded lobby space. He stated the current area in front of the checkpoint is approximately 1,300 sq. ft. for a total of 1,700 SF. He stated he also wanted to bring to the board's attention that there is about 200 SF. in front of the gift shop where they are presently displaying merchandise when they are open. He stated he asked Mr. Dobberstein if the lease is based on square footage or on sales and it is based on sales. He stated on the restaurant side is seating for the snack bar. He stated he just wanted the board to be aware that there is about 200 SF on either side that is being used by vendors. Mr. Cowman stated there are some flow problems with Option A when you are both entering and exiting the checkpoint.

Receive Update from Foss Associates Regarding Departure Lounge Area: (Continued)

Mr. Cowman stated the board wanted restrooms included in the secured area, as well as a custodial closet and privacy room for use by security personnel. He stated the scheme for these items is the same on both options.

Mr. Cowman stated Option A has an estimated cost of \$215,000 to \$250,000, not including the restrooms, which are estimated to be \$112,000-\$120,000.

Mr. Cowman stated Option B shows the checkpoint moved 20 feet to the north. He stated this would impact the two vertical chases so they are looking at moving the chases to the north with a horizontal connection running between the first floor ceiling and below the second floor. He stated the vertical material could be re-used and we would just have to add the material for the horizontal run.

Mr. Cowman stated again in terms of circulation in Option B, you have to back track once you have passed through the checkpoint. He stated he does not feel this is going to be a problem. He stated because of the mechanical system changes the price goes up quite a bit to \$535,000-\$575,000, plus the \$120,000 for restrooms.

Gen. Macdonald stated his concern is that if someone going through the checkpoint turns the wrong way and then has to go over to the other side it will be difficult.

Mr. Steve Synhorst, Ulteig Engineers, brought up the concern about any interference with the jetways caused by an expansion of the north wall.

Mr. Pawluk stated that neither option strikes his fancy. He stated it is hard for him to say what would work better. He stated this matter started with the restroom issue. He asked if we had considered making the upstairs restrooms accessible to the departure lounge, leaving the lower level restrooms for non-passengers. He stated that would allow more space and we could probably add some public restrooms for the restaurant.

Gen. Macdonald stated he is concerned about congestion in the area. He asked if exit doors, monitored by security personnel, would relieve some of that congestion.

Mr. Dobberstein stated that on February 18 the Transportation Security Administration takes over the contract at the checkpoint and we have not yet been contacted by them regarding what they will require. He stated that Globe Services (present security contractor) will maintain a presence at the airport, although we still do not know in what capacity.

Chairman Anderson stated he does not feel we are ready to make any decisions today, but this has been a good start. He stated the members can review the proposed options and come up with additional ideas to be discussed at the next meeting.

Mr. Cowman stated he also wanted the board to be aware that if the building were extended to the north, we would also gain space accessible to the tug concourse on the lower level for storage. He added it would be about 400-800 SF.

Mr. Pawluk stated he would like to see some options that do not require the north exterior wall extended. He stated he would also like to see the checkpoint gate turned. He added that he maintains that the majority of the restroom use is by passengers and doesn't think it is necessary to duplicate the restrooms.

Gen. Macdonald stated we might even consider expansion on the east and west walls rather than the north wall.

Receive Update from Foss Associates Regarding Departure Lounge Area: (Continued)

Chairman Anderson stated he feels these proposed renovations fit in with the changes we will be making to the restaurant and it is his opinion that if it is tied in as one project we will get much better numbers than if it is broken up.

Continued Discussion Regarding Restaurant Project:

Dr. Clark was recognized and stated that faculty members from NDSU are present today to discuss the restaurant project. (Vern Marke, Susan Diggs, Becky Amundson)

Mr. Marke was recognized and distributed the results of the survey conducted by the Hospitality Marketing and Sales course students. The purpose for the survey was to determine customers' desires for food and beverage services at the restaurant. He stated they had hoped for 100 responses by received only 51. He stated based on the results of the survey, the majority of respondents were interested in speedy service.

Mr. Marke indicated that although the overall results do not show what could be considered clear-cut findings, it does seem to show that there should be an expansion of the coffee/snack bar area.

Mr. Pawluk stated on situation that Mr. Haug related to them during their meetings was passengers who order food, the kitchen begins cooking the order and then their flight is called before they actually receive their food so they get up and leave and the restaurant is left with all of those prepared orders. He added that self-serve or speedy serve operation would solve some problems he had not even thought about.

Mr. Marke stated he has sent a copy of this survey to Mr. Haug but he has not yet had a chance to review it with him. He stated in previous conversations Mr. Haug seemed to indicated he would not be interested in a food court type operation but he did say he would be open to that. He stated he is not saying that is the answer but he does think people are looking more for fast service and in that case we would shrink the size of the dining room.

Mr. Pawluk stated is thinking it will be all or none. He added that Mr. Haug seems to be warming to other possibilities more than he thought he would. Mr. Pawluk stated he made a special trip to West Acres to eat at the food court and tried to imagine how some of that might work at the airport. He asked Mr. Marke how comfortable he was that the survey was an accurate representation.

Mr. Market stated the response was smaller than they would have liked, however he does feel it is an accurate representation.

Ms. Diggs stated this only one of a few surveys that they are conducting.

Ms. Amundson stated she is working with the design class which is working on proposals for the restaurant. She stated there are 25 students in the class and they will each present their project to a panel and those will be narrowed down to five finalists which could present proposals to the Airport Authority in April.

Mr. Pawluk asked if the students are aware that we are open to any changes in the present layout. He stated it has been suggested that the bar be moved forward to overlook the main level.

Ms. Amundson stated that did come up but they were concerned about the problem that would be caused by smoking.

Continued Discussion Regarding Restaurant Project: (Continued)

Mr. Pawluk stated he would eliminate smoking in the entire building in a heartbeat, but what would that do to the bar business.

Gen. Macdonald stated the question is, do people go into the bar to smoke or do they go in for a drink and then smoke. He stated if they just go in the bar to smoke then it is not going to affect the bar business and they are not giving the bar any business.

Dr. Clark asked if most of the airports in the country haven't gone entirely smoke-free.

Mr. Jim Sweeney was recognized and stated he is not aware of any public smoking area in the Minneapolis airport. He stated the only place he knows where smoking is allowed in the Minneapolis airport is in one little room in the Gold Club Lounge, and that is not public.

Mr. Kilander stated he does not recall any smoking areas in Denver, and he knows that Austin, TX is smoke free.

Gen. Macdonald asked Mr. Dobberstein to get some information from other airports on their smoking policy.

Mr. Pawluk stated the only thing we probably don't want to change is the actual kitchen area as Pete still does quite a bit of catering, some airline related and mostly off airport. He stated he would like to see the whole restaurant area opened more so that more of the meeters and greeters are comfortable going into the restaurant area.

Ms. Amundson asked if one of the goals is to attract outside business to the restaurant.

Mr. Pawluk stated the Airport Authority is in the business of providing food service for the people who use the airport. He stated it does not seem that many opportunities exist for this to be a destination restaurant.

Dr. Clark stated she will advise the board members of the dates on which the proposals will be presented by the students.

Received Bids and Recommendation of Award from Ulteig Engineers, Inc. Regarding Proposed Parking Lot Lighting Upgrade:

Mr. Steve Synhorst, Ulteig Engineers, stated we received bids for the parking lot lighting improvement project on February 7, 2002. He stated that we received bids from nine contractors and eight bids met the requirements. Mr. Synhorst stated the low bid was \$55,810.00 from Fargo Electric Construction. He stated the contractors' jaws hit the table when the numbers were read so he strongly recommends the Airport Authority award this project. He stated if the project is going to be done we probably won't see numbers this good again.

Gen. Macdonald moved the Airport Authority receive the bids and award the project to Fargo Electric Construction based on their bid of \$55,810.

Second by Mr. Kilander.

Mr. Kilander stated he feels this will provide a feeling of safety to people parking 300-700 feet away from the building so they are comfortable walking to and from the terminal.

Mr. Pawluk stated he realizes the bids are good but it seems like a lot of money. He stated he is not clear on whether or not there are just certain areas that need improvement or if we should do the whole thing.

Gen. Macdonald stated he was out here at about 9:30 the other night and it was dark in the lot.

Received Bids and Recommendation of Award from Ulteig Engineers, Inc. Regarding Proposed Parking Lot Lighting Upgrade: (Continued)

Dr. Clark stated that NDSU has done quite a bit of upgrading of their lighting on campus and it has been quite an improvement. She stated people feel much safer.

Mr. Dobberstein stated up until the bids were received he had the same feeling as Mr. Pawluk that maybe we should change just some of the poles, but after seeing the bids he feels we should move ahead with the entire project. He stated there is some salvage value to the old poles and fixtures.

Chairman Anderson called for a vote on the motion.

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

Authorized Purchase of Replacement Mower:

Mr. Dobberstein stated at the meeting of January 8, 2002, the board authorized replacement of our 1990 Toro mower. He stated the Fargo Park District received bids on January 30. He stated the low bid for our mower was \$23,118 from MTI Distributing. He added that when the Park Board approves the entire bid there will be a 4% discount so the actual cost will be \$22,193.

Mr. Kilander moved to accept the bid from MTI Distributing Company for the Toro mower.

Second by Mr. Pawluk.

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

Received Communication from Dawson Insurance Regarding Airport Auto Liability Insurance:

Mr. Dobberstein stated we received this proposal last night from Mr. Rob Odney, Dawson Insurance, for the airport automobile liability insurance. Mr. Dobberstein stated when we renewed our AIG airport liability insurance policy through Marsh, AIG dropped our excess automobile coverage. He stated since that time we have had numerous discussions with the City Attorney, specifically Attorney Mike Miller. He stated we have coverage for airport vehicles on airport property through the self-insurance pool. He stated we also have coverage for airport vehicles off-airport within the state of North Dakota. He stated there is uncertainty as to whether an airport owned vehicle or an employee using a personal vehicle outside of the state would have coverage. He stated the goal of the insurance proposals being secured by Dawson is to provide that coverage.

Mr. Dobberstein stated this is the first quote they have received which is from National Casualty Insurance for \$11,330. He stated Mr. Odney was not able to be here this morning but he has suggested we wait until he is able to get at least one more proposal.

Mr. Dobberstein stated the ND Insurance Reserve Fund will not provide quotes to cities that are self-insured.

Mr. Pawluk stated that we are not the City.

Mr. Dobberstein stated that was conveyed to them but they have still declined and have done the same for the City of Bismarck. He stated he suggested to Mr. Odney that he involve Attorney Stewart in his conversations with the Reserve Fund.

Received Communication from Dawson Insurance Regarding Airport Auto Liability Insurance:  
(Continued)

Mr. Pawluk asked if we have stopped driving to Moorhead until this matter is resolved.

Mr. Dobberstein indicated all employees have been advised not to drive out of state.

Mr. Pawluk stated that we are trying to provide coverage for such a narrow segment of opportunities, yet to ignore that risk would be foolish.

Mr. Dobberstein stated the Airport Authority is not the only government entity facing this situation. He indicated Mr. Odney will be at our next meeting to discuss the matter further.

Received 2001 Airport Improvement Fund Report:

Mr. Dobberstein distributed copies of the 2001 Airport Improvement Fund Report showing receipts and disbursements for calendar year 2001.

The report was received and filed without objection.

Chairman Anderson stated he visited with Mr. Dobberstein on budget matters and it is his recommendation that the members be provided with budget information on a quarterly basis.

Mr. Pawluk stated it may be time to continue our financial review process of tenants.

Gen. Macdonald stated he thinks we should review the car rental agencies again since we have not done that since we changed the method of their lease payments.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 5, 2002 at 3:00 p.m. in the Airport Boardroom.

Time at adjournment was 10:13 a.m.

Regular Meeting

Tuesday

March 5, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 5, 2002, at 3:00 p.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Pawluk, Anderson

Absent: Clark

Others: Stewart, Bromenschenkel

Chairman Anderson presiding.

Approve the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 12, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held February 12, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$45,140.21:

Mr. Pawluk moved to approve the airport vouchers totaling \$45,140.21.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$258.50 to Modern Electric for payment request for electrical work in connection with the security roll-up gate replacement.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Cahners Construction Bulletin:

Gen. Macdonald moved to approve the individual voucher in the amount of \$258.50 to Cahners Construction Bulletin for payment request for advertisement for bids for parking lot lighting project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Twin City Garage Door:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,716.00 to Twin City Garage Door for payment request for installation of the security roll-up door.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,196.16 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. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to MTI Distributing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$22,193.00 to MTI Distributing for payment request for 2002 Toro Groundsmaster Mower.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

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 \$1,372.12 to T.L. Stroh Architects for payment request #9 for architectural services in connection with the Hangar #2 project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,565.20 to Flint Communications for payment request for 2002 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Considered Change Order #3 for Runway 8/26 Extension Project:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Change Order #3 to the Runway 8/26 and Taxiway C Extension, West perimeter Road, and Taxiway A Intersection, Project AIP25, is the bonus amount paid to the contractor (Nodak Contracting) for the concrete paving. He stated the specification allowed for a 6% bonus as per FAA specifications and is based on concrete thickness and strength. He stated the concrete strength is to be 650-PSI flexural strength in 28 days and the majority of the thickness is 16". He stated the bonus amount is \$143,695.18 for the runway portion of the project and \$11,967.75 for the NDANG Arm/Disarm Apron Project.

Mr. Synhorst stated this change order for this bonus has nothing to do with the time extension issue. Mr. Synhorst stated he recommends the board approve this change order.

Mr. Pawluk moved to approve Change Order #3 to the Runway 8/26 Extension Project for bonus payments to Nodak Contracting in the amounts of \$143,695.18 and \$11,967.75.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Received Update on Automobile Insurance:

Mr. Dobberstein stated he provided the board members with Mr. Odney's proposal dated March 1, 2002, which indicated Business Auto and Hired/Non-Owned Auto coverage for a premium of \$2,272.00. He stated he has since received a quote for \$1,000,000 excess auto liability coverage for an additional premium of \$1,017.50, making a total premium of \$3,289.50 for the coverage recommended. Mr. Dobberstein stated the goal of this is to provide coverage when our vehicles go outside of the state of North Dakota. He stated this will provide coverage for just two of our vehicles.

Mr. Rob Odney, Dawson Insurance, was recognized and stated this is a stand-alone commercial auto liability policy. He stated this policy will cover the stated vehicles anywhere in North America. He stated the hired/non-owned auto will cover anyone who is doing business for the Airport Authority. For example, if the Director is out of state at a convention and needs to rent a car that would be covered. He stated it would also cover the Airport Authority if the Director were using his own vehicle on airport business and caused an accident.

Mr. Odney stated this is not a bad premium in comparison to many he has seen. He stated the business owners in the room can attest to the fact that insurance premiums have really gone through the roof over the past couple of years.

Received Update on Automobile Insurance: (Continued)

Mr. Pawluk moved to accept the proposal from Dawson Insurance for business auto, hired/non-owned auto and excess auto liability coverage for a premium of \$3,289.50.

Second by Mr. Kilander.

Mr. Odney indicated this coverage extends to board members as well.

Chairman Anderson asked if we could purchase a five year policy.

Mr. Odney indicated he would check but he doubted very much if any company would write multi-year auto coverage in the present market.

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

Absent and not voting: Clark

The motion was declared carried.

Continued Discussion Regarding Departure Lounge Area:

Mr. Bill Cowman, Foss Associates, was recognized and stated following the last meeting he reviewed the input from that meeting with Mr. Dobberstein and Mr. Darren Anderson and took another look at how we might expand the greeters area with less impact on the building and at a lesser cost. He stated since we no longer need space in the departure lounge for meeters/greeters, we should be able to use more of the departure lounge space than initially proposed. He stated we are now looking at expanding the greeters area on both sides of the existing security gate. He stated the checkpoint would stay exactly where it is, but we would look at extending the sidewalls a bit because the whole line extends quite well beyond the walls now.

Mr. Cowman stated it is their proposal that the existing glass wall remain in place and that any new walls will just be connected to that existing glass wall system. He stated the plan proposed will give us 356 SF of space on either side of the checkpoint. He stated it was our initial thought that both areas be used as space for meeters/greeters, but it was Mr. Anderson's suggestion that the east area be used for the security maze. He stated that will open the floor space between the security checkpoint and the elevator/escalator, which will be a lot less congestion. Mr. Cowman stated we will be displacing some of the seating areas in the departure lounge but the seating is movable and can be picked up and relocated.

Mr. Cowman stated as far as the restroom, in the secured area, we are looking at providing a small men's and women's restroom on each side of the departure lounge. He stated there is also space for one custodial room and one security room. He stated Mr. Dobberstein indicated that the building staff would rather see the custodial room on the east side of the departure lounge and move the security room to the west side.

In answer to a question from Mr. Pawluk, Mr. Dobberstein stated the security room would probably be used for hand searches when people may not feel comfortable having that done in public. Mr. Dobberstein stated we need to keep in mind that we are still in a transition period where we do not know what the requirements will be by the federal security director assigned to this airport. He stated that Globe Security will continue to have a presence here and they will continue to need space as well.

Gen. Macdonald stated he is not sure that the search room should be in the secured area. He stated he would suggest that we hold on any change for a security room, but that we move ahead with the restrooms.

Continued Discussion Regarding Departure Lounge Area: (Continued)

Mr. Cowman stated the estimated costs for this new option (Option C) is as follows:

Security Expansion:	General	\$45,000.00
	Mechanical	\$14,000.00
	Electrical	\$5,000.00
Restroom Expansion	General	\$64,000.00
	Mechanical	\$32,000.00
	Electrical	\$7,500.00
Architect/Engineer Fees		\$16,000.00
Printing/Postage		\$1,000.00
Contingency		\$16,000.00
TOTAL		\$200,500.00

Mr. Cowman stated all of the existing glass will be used, but the frames will not be able to be reused.

Gen. Macdonald suggested switching the men's and women's rooms and making the women's room larger with two stools rather than just one by using some of the hallway space for the women's room.

Mr. Pawluk stated he likes that idea and maybe we should have two positions in each bathroom and have them just on that end, even though it would mean walking a little further.

Mr. Cowman stated what he hears the board saying is that the men's room should have one water closet, urinal and lavatory, and two water closets and one lavatory in the women's room.

Mr. Kilander asked if we would have significant cost savings by doing the entire project at once rather than half now and half later.

Chairman Anderson stated Mr. Dobberstein's point about not knowing what the security space requirements will be is important.

Gen. Macdonald stated he would guess that the security manager would not want their office in the secured area.

Mr. Pawluk asked if the security office could be accessed from both the secured and non-secured side.

Mr. Dobberstein stated we have considered putting another door to access the departure lounge, which would cut down on the cycles for the overhead gate that was just replaced.

Mr. Pawluk asked Mr. Dobberstein how he would feel about the increased traffic down the hallway.

Mr. Dobberstein stated he didn't think it would really be that much more traffic as the security staff has their office in this hallway already.

Mr. Darren Anderson stated the problem we have seen is with the increased number of security staff and the increased number of times the security gate goes up and down it will wear out much sooner than the other one.

Continued Discussion Regarding Departure Lounge Area: (Continued)

Gen. Macdonald moved the Airport Authority authorize Foss Associates to prepare plans and specifications based on our discussion today and advertise for bids.

Second by Mr. Kilander.

Chairman Anderson stated as a matter of clarification that the plan agreed on would include restrooms on the east end with two stools and a sink in the ladies' room, one stool, one urinal and one sink in the men's room, expand both sides of the checkpoint with the east side being the maze and the west side being seating for greeters, and that the custodial room be located near the restrooms on the east end.

Mr. Pawluk stated we should factor in a security room as an alternate because by the time we go to bid it might be more defined. He stated he would also like to see the final plans before we give final authorization prior to bid. Mr. Pawluk stated he is in agreement with the motion but he would just like to see the final plan before we go to bid.

Chairman Anderson asked Gen. Macdonald if that was the intention of his motion.

Gen. Macdonald stated his motion was to prepare plans and specs and go to bid. He stated he does not want to sit through another meeting and then prepare plans and then go to bid.

Mr. Cowman stated we could have a progress review mid point in the plan preparations.

Chairman Anderson called for a vote on the motion, members Kilander, Macdonald, Pawluk and Anderson voted aye.

Absent and not voting: Clark

The motion was declared carried.

Mr. Cowman stated he had some updated information on the security gate project. He stated we are waiting for Cook Sign to do their final measurements for the aluminum panel above the gate. He stated Cook Sign indicated they should install that panel in about two weeks.

Mr. Cowman stated he gave Mr. Darren Anderson some carpet samples for the new boarding bridge. He stated anticipated installation of the bridge is the end of May.

Discussed North University Drive Adjacent Land Use Proposal:

Cindy Gray, Fargo Planning Office, was recognized and stated the Planning Office has been approached quite a few times in the last year or so about the future of some of the land along North University Drive. She stated she feels it is time that we go in and change the zoning on some of the agricultural zoned parcels. She stated there is a total of about six pieces of property that are still zoned agricultural.

Ms. Gray stated the main interest that has been shown is in the Hector property just north of the Skills & Technology Center for residential. She stated there is a lot of interest in developing more housing near NDSU. She stated another reason is that North Fargo in general is very limited in terms of availability for additional residential development. There is a lot of demand but not a lot of supply.

Ms. Gray stated the second most asked about parcel is the pony farm. The current property owners have put off any approaches they have had by developers to buy the property. She stated the Fargo Housing Authority was probably the most recent. She stated the interest has been mostly in residential but they would like to look at some type of limited commercial on the west end. She stated we know that any kind of zoning that would allow residential land use in the vicinity of North University Drive also needs some type of overlay zoning that requires sound attenuation.

Discussed North University Drive Adjacent Land Use Proposal: (Continued)

Ms. Gray stated she does not have much to say about the two far north parcels on the east side of North University other than the fact that the airport had designated them in the land use plan as open space. She stated the question then comes up whether or not we should leave them zoned agricultural or should they be zone public institutional like the airport, or should be look at some other type of zoning.

Ms. Gray stated she would like some feedback from the Airport Authority on a couple of ideas. She stated one would be looking at limited commercial zoning for the south Hector parcel. She stated this would allow some type of commercial zoning in this area. She stated limited commercial still allows residential as a land use but you would have to go through a conditional use permit process. She stated based on the interest shown for student housing that would probably be a possibility, but that would allow us to put some very strict conditions for sound attenuation. She stated the zoning on the north Hector parcel would depend on the Guard's plan and whether or not they are still interested. She stated as far as the land owned by the Park District, she stated she still needs to discuss this with Roger Gress but she would probably recommend public institutional for that parcel.

Mr. Pawluk stated he is in agreement with Ms. Gray's comments on the property on the far north property and it is important to keep that as open space. He stated he is reluctant to see any change in zoning on the parcels she has labeled as Hector. He stated he recognizes that a commercial or industrial use may be appropriate but he has some reservations about see that ultimately turn into residential property. He asked if changing the zoning to limited commercial does that create the basis for the conditional use permit that would allow residential.

Ms. Gray indicated that was correct. She stated a conditional use permit would be required for residential in a limited commercial zone. She stated conditional use permits require final approval by the Planning Commission so once it gets going the City Commission is basically hands off at that point, unless it is appealed then it would go to the City Commission for final approval. She stated she has been with the City almost three years now and she recalls an inquiry about residential use on that property the first month she was there and the inquiries have come up several times since then. She stated her first reaction was that she was against residential in that area but since then her feelings have changed somewhat. She stated while residential is still a concern, she feels since the residents would not be making an investment in the property and would be living there are fairly short time (student housing), that type of use may make some sense. She stated she lived in university housing on NDSU for six years and the housing is already impacted by airport noise and probably does not have very good sound attenuation.

Mr. Pawluk stated he was at the airport this morning when the F-16's were flying and it was impossible to miss the noise. He stated he is concerned about the hornet's nest that we would have to deal with at some point in the future if ultimately residential use was allowed that close to the airport.

Chairman Anderson asked what type of zoning would eliminate any conditional use permit for residential use.

Ms. Gray stated limited industrial or general industrial are about the only kinds of zoning that totally eliminates residential as an option under a conditional use permit. She stated she would never recommend general industrial for that area because you could hardly do anything there.

Mr. Dobberstein stated in his opinion it would be a great mistake to allow student housing in that area with all of the sound issues. He stated that would defeat the purpose of the Airport First Addition and the covenants in effect there.

Discussed North University Drive Adjacent Land Use Proposal: (Continued)

Ms. Gray stated proposed changes in zoning require public hearings. She stated they would notify property owners within 300 feet of any area to be rezoned. She stated it would be published in the newspaper and there would be a public hearing at the Planning Commission meeting. She stated once that is more formally put together she would like to come back to the Airport Authority and get a recommendation. She stated this meeting could serve as that but she doesn't have things put together as formally as she should in order to get a solid recommendation from the Authority.

Ms. Gray stated the limited industrial zoning category is really the only option we have because general commercial allows residential under a conditional use permit, too. She stated she is not sure where the City Commission stands on this but indicated Mr. Bromenschenkel could probably give us some feedback.

Gen. Macdonald asked Ms. Gray her proposed timetable on this matter. He asked if she is looking at something that would allow construction this year?

Ms. Gray stated she is not so concerned about when construction takes place, she just knows as a department they have been trying to get some of the agricultural zoning inside city limited cleaned up.

Gen. Macdonald stated he would be opposed to any zoning on those Hector properties that would allow housing, even conditionally.

Chairman Anderson stated it seems there are at least three board members who would be against any housing on those Hector properties, and also leaving the two far north properties alone.

Mr. Kilander stated he would agree on the north property. He stated he would have a real hard time right now saying that from here on in there can be no residential development on the two Hector parcels because he has no idea what advances in technology in the next few years that would make that a viable option. He stated he feels we should pass title and let someone else fight that battle, as long as we can be on record as feeling that residential is not a proper use at this time.

Chairman Anderson asked what if we do nothing?

Ms. Gray stated she is not necessarily asking the board for any action today, what she is looking for is feedback and that is just what she is getting. She stated if the board wants to take formal action then she should come back with this after they have actually advertised specific zoning categories.

Mr. Pawluk asked what the property owners would like to see.

Ms. Gray stated they would like the option to sell the property as potential residential property, as that is the only interest they have had up to this point.

Gen. Macdonald stated that is not entirely true because they have had other interest but it did not meet their price expectations.

Mr. Dobberstein stated anyone interested in developing in that area would be provided with the same advise the Airport Authority gave the NDSU Tech Park regarding sound, vibration and other airport operation concerns.

Gen. Macdonald stated he would have no objection to residential use on the pony farm land east of 10<sup>th</sup> Street as that area is residential now. He would be opposed to anything west of 10<sup>th</sup> Street.

Discussed North University Drive Adjacent Land Use Proposal: (Continued)

Mr. Dobberstein stated he has had conversations with people interested in developing residential property on the pony farm land, if they could buy the property. He stated he always expresses concern about residential development. He stated even though the airport would not object to houses east of 10<sup>th</sup> Street, he wonders if we should we require additional soundproofing. He stated the concern is if in the future the Guard uses Runway 8/26 when it reaches its ultimate length.

Ms. Gray agreed there is really no reason any future building should not be required to have the additional sound attenuation. She added that all of the sound information provided by the airport has been passed on to people interested in building in that area. She added that 10<sup>th</sup> Street will be extended regardless of what is platted.

Mr. Pawluk stated it is his understanding that the NDSU Tech Park, which has been designed with full knowledge and the buildings have been constructed with sound attenuation, has been experiencing noise problems. He stated there is no way the sound problems could have been made more obvious and the design engineers factored that into their project, yet they are still experiencing noise problems. He stated his point is that we do not want to participate in that type of problem at all.

Mr. Dobberstein stated he feels the Airport Authority should express their objection right now, otherwise the problem will perpetuate.

Ms. Gray stated the solution to that is zoning. She stated the zoning has an affect on the value of the property and an affect on prospective buyers to which realtors will market the property. She states she is not saying that everyone at City Hall has the same philosophy on this as she does. She has been trying to push for not having residential development west of North University Drive in the area of the airport, but they get so much pressure to try to find space for more student housing.

Mr. Dobberstein stated our opposition does not necessarily mean it will be zoned according to our wishes.

Mr. Bromenschenkel stated it is his feeling that you should restrict residential development as far away from the airport as you possibly can. He stated he would recommend zoning it to prohibit residential development and if there is some technology developed in the future to allow for residential development then it can be changed in the future.

Gen. Macdonald stated the problem is that we cannot anticipate what our noise profiles will be five or ten years in the future.

Ms. Gray stated she now has enough input from the Airport Authority to convey the airport's concerns to the Planning Commission.

Received Communication from JP Development Regarding North General Aviation Area Hangar Lease Agreements;

The communication from Mr. James Sweeney, JP Development, dated February 28, 2002, was received and filed without objection.

Mr. Dobberstein stated he has provided the board members copies of Mr. Sweeney's request that the board consider rewriting the leases under new terms. He stated he has also conveyed this information to Attorney Stewart for his review and opinion.

Attorney Stewart stated he is not ready at this time to give his opinion on this matter. He stated he would like to take this matter up at the next meeting after he and Mr. Dobberstein and possibly one member of the board have had a chance to review the proposal.

Received Communication from JP Development Regarding North General Aviation Area Hangar Lease Agreements; (Continued)

Mr. Pawluk stated he does not understand this issue. He stated he reviewed the proposal but it does not tell him where things are or what the motivation is.

Mr. Jim Sweeney was recognized and stated he would like to give the board a brief background on the reason for this proposal. He stated JP Development is a partnership he and Pat had formed which held all of their buildings on the airport. He stated originally when the facilities were built, the Airport Authority built one hangar for JP Development and one for Aviation Resources, which lease they have acquired since that time. He stated the first page of his proposal represents those two hangars (Hangar A and Hangar C). He stated they are basically taking the remaining balances on those properties and are requesting to rewrite those under new terms. Mr. Sweeney stated the interest rate in place since the buildings were constructed has been 4.1% and they are proposing 4.5% for the first five year term of the proposed 30 year amortization.

Mr. Dobberstein stated the original lease agreement with JP Development and Aviation Resources set an interest rate of 4.1% for the first five years of the term. He stated last year the board agreed to extend that rate for another year. He stated last fall after negotiations with Mr. Sweeney and Dr. Hamilton it was determined that the financial indicator would be the 10 year AA rated municipal bond rate published in the Wall Street Journal on the first business day of January. He stated the Journal printed only AAA 10-year bond rates and when he checked into it further found out it was much more difficult to determine that rate than we had anticipated.

Mr. Kilander stated he would agree to discussing this at the next meeting. He stated, however, before we stop talking about the subject is to at least put some mental parameters on what we are trying to accomplish. He stated he has discussed the matter with the Sweeneys, Gen. Macdonald, and Mr. Dobberstein, and it seems what we are trying to do as an Airport Authority is keep as viable an atmosphere for the airport and its activities as we possibly can. He stated that says to him that whoever we are dealing with, be it Fargo Jet Center or whoever we are dealing with, that we should do almost anything within our authority to help get to that end. He stated we need to keep that foremost in our thinking. He added that if we can do things as an Authority without jeopardizing our position or having a less than desirable rate of return on liquidity we should do whatever we can to encourage development.

Mr. Pawluk asked if we are in a position to make the same offer to anyone else who comes along.

Gen. Macdonald stated he has two concerns. At one time Attorney Stewart talked about the legality of us doing this and that is his first concern. The second is what happens when someone else comes in and asks for the same deal and we have to be ready to answer that. Gen. Macdonald stated he was the board member that negotiated with the Sweeneys and Dr. Hamilton on the interest rate and one other thing that concerns him is not the rate of interest but where we get it. He stated we now have CNN money and CNN may be out of business in five years. He stated prime rate is a rate that everyone in the world understands. He stated it is a fluctuating rate so maybe even better would be the treasury rate, which is also something everyone can understand.

Received Communication from JP Development Regarding North General Aviation Area Hangar Lease Agreements: (Continued)

Mr. Pat Sweeney was recognized and stated the board membership has changed completely since we first entered into negotiations seven years ago. He stated the purpose of the agreement and the purpose for the Airport Authority to build two hangars for two different companies was an incentive to develop a new general aviation park. He stated with that incentive the individuals also came to the table with their cash and investments to build the other buildings. He stated the board members need to keep in mind with other requests is that this was an incentive to develop this area and it has helped them. He stated another thing to keep in mind is the fact that the other entity was not able to make it.

Mr. Pawluk stated he would like some more details on what the original agreement was and how the proposed agreement is different.

Mr. Dobberstein stated that information had been provided the members at a previous time but he will again provide that to all of the members.

Mr. Jim Sweeney stated they are coming to the board today as a new developer.

Mr. Kilander added that with the acquisition of Valley Aviation they have tripled their debt.

Mr. Pawluk stated he is sensitive to that, but they are already here.

Gen. Macdonald stated he advised the Sweeneys that after he reviewed the previous agreement that he would not be a party to making any new agreement parallel to the previous agreement.

Chairman Anderson stated this item will be on the March 26 agenda.

Mr. Dobberstein stated that payments for the new term were due February 1 and until the matter is settled we are in mutual arrears.

Mr. Kilander now absent.

Received Update on Hangar #2 Project:

The communication from Mr. Jed Krieg, Olaf Anderson & Son, dated February 26, 2002 was received and filed without objection.

Mr. Dobberstein stated at the last meeting the board requested that we find out whether or not it will cost more if we wait with the office alternate on Hangar #2. Mr. Jed Krieg has advised that if we wait more than 30 days to do the office alternate it would cost an additional \$2,150.00.

Chairman Anderson stated that some of the increases were in the original proposals from the subcontractors.

Mr. Dobberstein stated the hangar door is on and they are putting low heat into the building. He stated the action taken by the board left it up to him, the architect and the contractor to decide whether or not to move ahead with the floor.

Chairman Anderson stated if the floor is not poured then it needs to be written out of the contract with a change order.

Gen. Macdonald stated we should pour the floor.

After further discussion, it was the consensus of the board that the contractor should move ahead with pouring the floor.

Received 2001 Operations Statement:

The 2001 Operations Statement was received and filed without objection.

Mr. Dobberstein stated there could be some slight changes in the figures follow the audit completed later this year.

Authorized Attendance at the 74<sup>th</sup> Annual AAEE Conference, May 19-22, 2002, Dallas, TX:

Gen. Macdonald moved to authorize the attendance at the 74<sup>th</sup> Annual AAEE Conference, May 19-22, 2002, Dallas, TX, by management staff and board members interested in attending.

Second by Mr. Pawluk.

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

Considered Purchase of Administrative Vehicle from GSA Auction:

Mr. Dobberstein stated Mr. Darren Anderson has provided information on some vehicles that will be available on the GSA auction next week. He stated Mr. Anderson and Mr. Ron Olson, our mechanic, went out and looked at a couple of those vehicles.

Mr. Dobberstein stated we have found ourselves in a situation a number of times when we need to go out on the airfield and the building operations pickup is in use so we then have to go over to the shop look for an available vehicle. He stated there are also times when we need to transport people to other parts of the airport or into the city, and this would alleviate the need to use personal vehicles. He stated there are also times during airfield inspections when more than two people are involved and a pickup does not work for that.

Mr. Dobberstein stated the one vehicle we are interested in is a 1998 Ford Expedition (white) with 80,000 miles. He stated Kelley Blue Book value is \$12,670 and the NADA trade-in was \$15,175. He stated there is another 1998 Expedition but it had some hail damage.

Mr. Dobberstein stated he would like authorization to bid on this vehicle.

Mr. Pawluk stated he does not support that and he does not think it is a good use of our resources to go out and buy a used four wheel drive vehicle that is too worn out for the government to use. He stated we have four car rental agencies at the airport that would love to rent us a vehicle at any time.

Mr. Dobberstein stated we do rent vehicles when we drive out of town but this vehicle would give us the capability to take more people out onto the airfield.

Chairman Anderson asked if Mr. Pawluk if he disagrees that a vehicle is needed.

Mr. Pawluk stated he does not deny the need exists but was not aware of it before this.

Chairman Anderson asked when the auction is and how many time a year the auctions are held.

Mr. Darren Anderson stated the auction is on Thursday and the GSA holds auctions in Fargo twice a year.

Gen. Macdonald stated if they have been out and looked at this vehicle and if it meets their approval then he sees no reason to second-guess them on that.

Gen. Macdonald moved to authorize to purchase a vehicle at the GSA auction, up to \$16,000.

Chairman Anderson relinquished the chair to Mr. Pawluk.

Considered Purchase of Administrative Vehicle from GSA Auction: (Continued)

Mr. Anderson seconded the motion.

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

Acting Chairman Pawluk voted no.

Absent and not voting: Kilander, Clark

The motion was declared carried.

Acting Chairman Pawluk returned the chair to Mr. Anderson.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he has forwarded our contract with Fargo Electric for the parking lot lighting upgrade to Attorney Stewart for his review. Attorney Stewart indicated he has reviewed the contract and it is ready for signature.

Mr. Synhorst stated he is still negotiating with Nodak on the request for the time extension.

Mr. Synhorst stated Nodak is also requesting a change order for the costs incurred as a result of the bank that slid into the drainage ditch and damaged the water and sewer mains beneath. He stated it is his contention is that the specifications required that the old ditch remain open until the new ditch was totally constructed. He stated it is not the engineer's or the owner's job to tell the contractor where to put their dirt. He stated Nodak has advised us that their insurance company has told them that they are totally not at fault for this.

Attorney Stewart stated he thought courts made those decisions.

Mr. Synhorst stated he does not feel a change order should be issued. He stated the total cost was \$49,551.00.

After further discussion, Mr. Synhorst stated he will advise Nodak that the change order has been denied.

Mr. Dobberstein stated he and Mr. Synhorst met with Gary Ness and Mark Holzer (ND Aeronautics Commission), Mr. Steve Wagner (Coffman Associates), and representatives from the FAA Airports District Office in Bismarck.

Mr. Dobberstein stated they talked about completing the Airport Master Plan, but specifically addressing the options for the Runway 17/35-safety area. He stated our options are to move 19<sup>th</sup> Avenue North, extend the runway, or shorten the runway to get the localizer within compliance for the runway safety area.

Mr. Dobberstein stated that 19<sup>th</sup> Avenue is not going to be moved so that will be taken off the Master Plan.

Mr. Dobberstein stated we can show the 400-500 foot extension to Runway 17/35, but the FAA does not believe we have the justification to construct that extension when we reconstruct the runway in what appears now to be 2004.

Mr. Dobberstein stated the option that appears to be before us is to shorten the runway to 9,000 feet and move the localizer further south, which would provide the 1,000 foot clearance to the localizer. He stated basically G-2 would come right into the base of 35 and all of the concrete south of that portion would be taken out. He stated we would end up with a 9,000 foot runway.

Received Update on Airport Construction Projects: (Continued)

He stated we met with the Air Guard last week and nothing has been communicated back to us yet that if they change missions from the F-16 to the F-15 that they would need more than 9,000 feet. He stated they are also not aware of any heavy aircraft in support of their mission that would be limited by a 9,000-foot runway. He stated most of those are designed for a short airfield.

Mr. Dobberstein stated the only aircraft that would be limited by a 9,000-foot runway would be a fully loaded 747-400 on a 90-degree day on its way to the Orient. He added that same aircraft could take off at a different time of day.

Mr. Dobberstein stated when Steve Wagner appears before this board in April to finalize the Airport Master Plan, that appears the option we will move forward with in 2004. Mr. Dobberstein stated he had lobbied for keeping the concrete in place on the south end but apparently if there is concrete there a pilot is going to use it.

Mr. Synhorst stated that taking the concrete out means we won't have to worry about lights, etc.

Mr. Dobberstein stated this decision would not box us in. He stated if in the future we would have a cargo operator that wanted to operate worldwide from this airport that would be justification for an extension.

Mr. Dobberstein stated the FAA had previously encouraged us to move ahead with the runway reconstruction project in 2003. He stated it was originally on our Capital Improvement Plan for 2004-2005 in terms of entitlement funds. He stated shortly after that was submitted the FAA indicated there was a good chance that we should submit the project for 2003, at which time we would be requesting \$9-\$14 million in discretionary funding. He stated Bismarck has been working for quite some time on a new passenger terminal and we would be competing against them for the region's discretionary funding. He stated that runway reconstruction takes a higher priority than terminals so our runway request would jeopardize their terminal. He stated the other reason is that we believe that there is no way the FAA technicians could get together and take care of all of the changes they would need to do for the runway project if it occurred in 2003.

Other Business:

Gen. Macdonald stated it is his intention to make a motion at the next meeting that we enter into negotiations to buy the two Hector properties. He stated he understands we have done this before, but he feels this is the only way we can assure ourselves that property will not be placed in a criteria that will cause us untold grief in the years to come. He stated he does not know of an airport with property that close to it that isn't bemoaning the fact that they did not buy the property. He stated he would like to see us negotiate with the understanding that the FAA would not reimburse us one dime.

Mr. Pawluk asked Gen. Macdonald if he would use the same argument for the property on the north end of the airport just south of County 20.

Gen. Macdonald stated not at this time.

Ms. Cindy Gray, Fargo Planning, indicated that area land use has been designated industrial, similar to the air cargo area.

Other Business: (Continued)

Gen. Macdonald stated he had asked Mr. Darren Anderson to get some information from other airports regarding their smoking policies. Airports included in that survey were: Sioux Falls, SD, Madison, WI, Duluth, MN, Ithica, NY, Rochester, MN, Grand Forks, ND, Billings, MT, Minot, ND and Bismarck, ND and the results were read. The great majority allow no smoking at all in their terminals.

Gen. Macdonald stated he feels when we remodel our restaurant a no-smoking policy should be part of the project and then we won't have to worry about it.

Chairman Anderson stated that Dr. Clark has indicated that the restaurant projects student presentations will be April 2 and 3, at a location to be determined.

Mr. Dobberstein stated that the Governor officially extended the National Guard's duty at the airport through May 31, 2002.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 26, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 5:03 p.m.

Regular Meeting

Tuesday

March 26, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 26, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Solberg

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 2, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held March 2, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$42,196.63:

Mr. Kilander moved to approve the airport vouchers totaling \$42,196.63.  
Second by Gen. Macdonald.  
On the call of the roll, members Kilander, Macdonald, Clark and Anderson voted aye.  
Absent and not voting: Pawluk  
The motion was declared carried.

Mr. Pawluk now present.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,101.76 to Foss Associates for payment request for architectural services in connection with the Westside Terminal departure lounge/security area project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Cahners Construction Bulletin:

Gen. Macdonald moved to approve the individual voucher in the amount of \$290.64 to Cahners Construction Bulletin for payment request for legal advertisement for parking lot lighting upgrade project.

Second by Dr. Clark.

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

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

Received Update on Hangar #2 Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are preparing to pour the floor. He stated the building has been heated and they are waiting for the frost to come out of the ground.

Mr. Dobberstein stated he and Gen. Macdonald had a brief conference call with Gen. Mike Haugen last week regarding their intentions to lease the building October 1.

Gen. Macdonald stated it seems it is their intention to move into the building October 1, depending on the 2003 appropriations bill.

Received Update Regarding Departure Lounge Project:

Mr. Dobberstein stated at the last meeting the board reviewed the proposed plans for the departure lounge/security area project and directed Mr. Bill Cowman, Foss Associates to make the changes discussed and then submit final drawings to the board at this meeting. He stated the only item not shown on this drawing is the additional door between the administration hallway and the departure lounge. He stated Mr. Cowman was not able to be here today but advised that they would begin preparing the bidding documents the first week in April.

Mr. Pawluk asked what happened to the custodial room that was shown on the other plans.

Mr. Dobberstein stated with the proposed door from the departure lounge to the hallway the building staff will have direct access to the existing custodial closet in the administration wing hallway.

Received Communication from Vic's Aircraft Sales Regarding Fuel Truck:

The communication from Mr. Victor Gelking received March 20, 2002, was received and filed without objection.

Mr. Victor Gelking, Vic's Aircraft Sales, was recognized and stated he has had problems getting fuel on time. He stated it would be much easier for his business if he had a fuel truck. He stated there are a lot of people on the southeast end that would like to fuel their airplanes. He stated he has been on the airport since 1980 and has never requested this before. He stated it is his understanding that his lease allows him to sell fuel.

Received Communication from Vic's Aircraft Sales Regarding Fuel Truck: (Continued)

Mr. Dobberstein stated it is not too common for people on the field to have their own fuel truck. He stated Sioux Falls Aviation did have their own fuel truck a few years ago and the Fargo Fire Department red tagged it.

Mr. Gelking stated he bought a fuel truck a few years ago and had a fireman look over it and tell him what would need to be done. He stated he put a few thousand dollars into it, brought it to Fargo and then another fireman overruled him and told him he would have to build a dome over the truck.

Mr. Dobberstein stated the only other request we have had recently was from Mr. Schatz and he is not certain whether he is moving forward with it after the Fire Department's requirements. He stated if Mr. Gelking is planning to sell fuel to the public there are a lot more regulations than if he was just fueling his own aircraft. He stated Mr. Gelking does not have any employees who would be fueling aircraft. All of his flight instructors are contract employees and one of the requirements of the FAA is that you must have someone who is trained to fuel aircraft and should be an employee. He stated we have never had a situation where an FBO has had contractors fueling aircraft. He stated he is not sure how the liability would work.

Mr. Kilander stated if Mr. Gelking's lease allows him to fuel aircraft and if he meets all of the requirements of the various agencies, then he has the opportunity to have a fuel truck. He stated that the decision he sees the Airport Authority needing to make today is to confirm Mr. Gelking's ability to do what he is requesting.

Mr. Kilander moved that the Airport Authority confirm our FBO lease agreement with Vic's Aircraft Sales and that if he meets all of the criteria to sell fuel from his own fuel truck and that the staff deal with the policy matters.

Second by Mr. Pawluk.

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

Mr. Dobberstein indicated he would give Mr. Gelking a copy of the Federal regulations.

Authorized Preparation of Plans/Specifications for Taxiway A Safety/Drainage Area Project:

Mr. Dobberstein provided the board members with copies of an e-mail received from Mr. Steve Synhorst regarding the Taxiway A storm sewer project.

Mr. Dobberstein stated that prior to our use of Taxiway A as a temporary runway in 2004 during our runway reconstruction project, we will need to bring the adjacent areas into compliance with the runway safety area. He stated right now the drainage area west of Taxiway A on the south end of the runway would not be in compliance.

Mr. Dobberstein stated we would finance this project now and add it to a future PFC for reimbursement. He stated any costs (engineering, testing, actual construction) would be reimbursed to us through a PFC.

Mr. Pawluk asked why we would not include these costs in the runway project.

Mr. Dobberstein stated we asked for 2002 discretionary funds but it does not appear that there will be any left. He stated by the time we waited to find out for sure if there were any funds left we would have missed the 2002 construction season. He stated it is more of a timing issue. He added that the FAA Airports District Office got the feeling that temporary runway safety projects were not carrying a high priority for discretionary dollars this year.

Authorized Preparation of Plans/Specifications for Taxiway A Safety/Drainage Area Project:  
(Continued)

Mr. Dobberstein stated that our contract with Ulteig Engineers expires in March 2003.

Gen. Macdonald asked if it would be possible to extend Ulteig's contract one year without taking proposals.

Mr. Dobberstein stated we could ask the question of the FAA but he is not sure they have ever done that.

Mr. Dobberstein stated he would recommend that the Airport Authority authorize Ulteig Engineers to prepare plans and specifications for the Taxiway A Safety/Drainage Area Project.

Gen. Macdonald moved the Airport Authority authorize Ulteig Engineers to prepare plans and specifications for the Taxiway A Safety/Drainage Area Project.

Second by Dr. Clark.

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

Other Business:

Mr. Dobberstein stated our TSA contact has not received any word on the 300' rule. He advised me to call the Minneapolis office. He stated we are hoping to receive some written acknowledgement advising that they agree with our request.

Dr. Clark stated the NDSU students will be giving their presentations Tuesday and Wednesday of next week but they are still waiting for a location. She asked if the board wants the presentation finalists at the meeting on April 9.

Chairman Anderson stated the sooner the better. He stated we should make sure Mr. Haug is encouraged to attend.

Mr. Pawluk stated he would be attending also.

Mr. Dobberstein stated he did attend a site review meeting that the Planning Department has with the City's Department Heads and he was the only one that showed up specifically to talk about what Cindy Gray discussed at our last meeting. He stated the Planning Commission will meet on April 10. He stated the three options for the properties are limited industrial, general commercial and limited commercial. He stated the only one that prohibits housing is limited industrial.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 9, 2002 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:52 a.m.

Regular Meeting

Tuesday

April 9, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 9, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Stewart

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 26, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held March 26, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$20,717.23:

Mr. Pawluk moved to approve the airport vouchers totaling \$20,717.23.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk, Anderson 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 \$33,767.08 to Olaf Anderson & Son for payment request #5 for construction of Hangar #2 Project.

Second by Dr. Clark.

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

Mr. Anderson abstained.

The motion was declared carried.

Approved the Individual Voucher to FMC Jetway:

Gen. Macdonald moved to approve the individual voucher in the amount of \$80,676.80 to FMC Jetway for Payment Request #1 for passenger boarding bridge, Project APFC05.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk, Anderson 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 \$11,495.26 to Flint Communications for payment request for 2002 airport marketing program.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk, Anderson 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 \$626.20 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot lighting upgrade project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$914.75 to TL Stroh Architects for partial payment request for architectural services in connection with the Hangar #2 Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk, Anderson 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 \$504.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the runway 8/26 and Taxiway C Extension, West Perimeter Road, Project AIP 25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk, Anderson 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 \$972.22 to Foss Associates for payment request for architectural services in connection with the Westside Terminal departure lounge project.

Second by Dr. Clark.

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

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

Approved Proposed Engineering Agreement for Taxiway A Drainage Project:

Mr. Dobberstein stated the Airport Authority has authorized Ulteig Engineers, Inc. to prepare plans and specifications for the project to fill in the drain along Taxiway A south of Runway 31 in preparation for using Taxiway A as a temporary runway during our Runway 17/35 reconstruction project in 2004. He stated Attorney Stewart has reviewed the proposed engineering agreement and he indicated it is in order. He stated if we do not allow the project to move forward our out of pocket expenses will be \$3,544. If we do go ahead with the project the maximum would be \$31,401.

Mr. Pawluk moved to approve the proposed engineering agreement for the Taxiway A Drainage Project.

Second by Gen. Macdonald.

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

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

Considered Request from North Central Construction Regarding Charter Operation:

Mr. Dobberstein stated we received a communication dated April 5, 2002 from Mr. Gary Hiatt, Chief Pilot, North Central Construction, announcing their intention to conduct Part 135 charter operations out of Hector International Airport. Mr. Dobberstein stated we are handling this request based on past practice with other Part 135 charter operators (Northern Jet Aviation, Business Systems Aviation). He stated someone desiring to provide an aeronautical service that would be in competition with our existing FBOs would have the opportunity to become an FBO or partner with an existing FBO to provide that service. He stated in the past the companies that have provided this service have had an agreement with one of the FBOs. He stated the Airport Authority would require a minimum of \$200 per month or 1.5% of gross revenue (whichever is greater) for the privilege of operating on the airport. He stated there were no exclusions in what would be included in the gross revenue.

Mr. Dobberstein stated our FBO agreements allow an FBO to partner with a maximum of two non-related entities. Mr. Dobberstein stated the board would need to approve this request before Attorney Stewart would draft an agreement.

Gen. Macdonald moved to approve the request from North Central Construction, Inc. to conduct Part 135 charter operations through Fargo Jet Center and that Attorney Stewart be directed to draft an agreement.

Considered Request from North Central Construction Regarding Charter Operation: (Continued)

Second by Mr. Pawluk.

Gen. Macdonald stated we may want to revisit the issue of limiting the FBOs to agreements with two entities.

Chairman Anderson called for a vote on the motion.

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

Received Update from NDSU Students on Restaurant Project Proposals:

Dr. Clark stated last week they had about 25 presentations by students for proposed plans for the restaurant renovations. She stated five finalists were chosen and they are here today to present their plans. She stated the students are accompanied by faculty members Susan Ray Diggs and Becky Amundson.

Following the presentations, Dr. Clark stated that the students were almost done with their projects at the time the board made the decision to add the departure lounge restrooms, which will take up some of the restaurant space. She stated they decided since the students were that far along they should not alter their plans. She stated any of the plans can be easily altered to make that change. She also stated that all of the plans can accommodate smoking areas, but all of the students recommended no smoking.

The board members were also presented with the results of surveys that were distributed by mail to include a random selection of local chamber members, business members of the community, and a random selection of faculty and staff at NDSU.

Mr. Pawluk stated we all have to decide how we see the restaurant operating. Do we see it labor intensive or with fewer people. He stated the problem we have now is often service related. He stated Mr. Haug told him that he used to be insistent that we need the sit down atmosphere that we have now, but after years of trying to develop this as a destination restaurant he realizes it isn't that. He stated people want to get something quick before they get on their flight.

Gen. Macdonald stated he does not fully agree with that as if he is on a morning flight he will come out early to have breakfast.

Dr. Clark stated the students have discussed this at length and they lean toward having a mixture.

Chairman Anderson stated the next step is to have Dr. Clark, Mr. Pawluk and Mr. Haug refine the ideas for further recommendation to the board.

Continued Discussion Regarding North General Aviation Hangar Leases:

Attorney Stewart stated he visited with Mr. Andy Noah, attorney representing JP Development, regarding extending the term of the lease agreement. Attorney Stewart stated he would have no problem with extending the term of the lease. He stated Mr. Dobberstein has quantified the figures and how they relate to what we have today.

Mr. Dobberstein stated he spoke to Randy Jensen, Chief Financial Officer for JP Development, and the figures used in their current proposal are the principal amounts on hangar, utilities, and parking lots in effect on February 1, 2002, taking into consideration the current lease requirement that they be given credit for 85% of the principal paid to date.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Mr. Dobberstein stated we have received hangar lease payments for February, March and April, based on the original agreement. He stated any change the board would make would be retroactive to February 1, 2002.

Mr. Dobberstein reviewed the following figures regarding the two hangars, the original Fargo Jet Center hangar (Hangar #11) and the original Valley Aviation hangar (Hangar #12).

Hangar #11

Total cost to the Airport Authority for hangar building, utilities and parking lot - \$687,166.00

Building interest rate – 4.1%

Parking lots and utilities interest rate – 7%

Current monthly lease payment - \$4,293.07

Total received to date - \$309,101.04 (6 years)

Proposed Agreement –

New term of 25 years at \$2,300 per month

\$27,600 per year x 25 years = \$690,000

Proposed buyout at end of term - \$425,000

Total paid to MAA - \$1,424,101 for a 5.446% return over 31 years

Hangar #12

Total cost to the Airport Authority for hangar building, utilities and parking lot - \$1,297,681

Building interest rate – 4.1%

Parking lots and utilities interest rate – 7%

Current monthly lease payment - \$8,042.80

Total received to date - \$579,081.60 (6 years)

Proposed Agreement –

New term of 25 years at \$4,500 per month

\$54,000 per year x 25 years = \$1,350,000

Proposed buyout at end of term - \$750,000

Total paid to MAA - \$2,679,081.60 for a 5.41% return over 31 years

Mr. Kilander stated he feels we need to back up a step. He stated we need to come to some sort of philosophical decision and once we reach that decision this either becomes germane or not germane. The philosophical decision is what is the Authority's attitude toward our responsibility or our direction for the northside general aviation area. He stated initially the board came forward with a lease option agreement to encourage growth in that area. He stated from his perspective what we need to do is decide if that is still the authority's direction. He stated once we do that we can decide how we carry that forward. He stated we have a rather captive audience as at this point they really have no other options than to stay there.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Mr. Kilander stated from a realistic perspective Fargo Jet Center bailed us out in a big way by buying out Valley Aviation, as that could not have carried on very much longer with the negative cash flow.

Chairman Anderson stated the original agreement called for renegotiation of the interest rate after five years. He asked Attorney Stewart his opinion on changing the term.

Attorney Stewart stated that is a risk because he felt very good about defending the position of the Airport Authority lending its credit, which otherwise is not allowed, but this was tied to the economic development aspect of the project and the fact that the MAA worked with Weather Modification under a development agreement two or three years before we even built the hangar. He stated we could live with changing the lease term, but changing the buyout option would put us at greater risk. Attorney Stewart stated at the time of negotiations the lessor was as interested as anyone to have the buyout feature rather than stretching the amortization period. He stated we used the term "amortization" only for purposes of pegging a buyout price, as an incentive for early buy out. He stated by changing it we extend that out and I think we could do that and it would be very defensible, but the other aspect of changing the option to buy out puts us at great risk.

Mr. Dobberstein asked if we would be better served by using appraised value at the time of buyout.

Attorney Stewart stated that would be safe and we could not be criticized for that.

Gen. Macdonald stated Attorney Stewart has a problem with changing the lease purchase in the sense that he says we are using our credit to lower their interest. Therefore, we penalize them by taking part of the "principal" payment back, which he does not think is right. He stated it seems to him that the Airports Authority needs to negotiate with Fargo Jet Center a straight lease.

Chairman Anderson stated it is an option to purchase but the percentage of principal applied to the purchase varies after the fifth year, which is the way the agreement was designed. He stated he does not have a problem with changing the term or the rate, as long as we are not leasing for less than we can borrow.

Mr. Kilander stated if the Airport Authority were to go to a normal lease situation he thinks that the payment from the lessor would have been much less than the payment they were making. He stated the reason he says this is because from an owner/lessee perspective you get back to a value per square foot, figure in a residual value for the owner and depreciate things out over a period of time and you get a fair return on your investment, assuming you still have a substantial asset when the lease is done. He stated when the original lease, as he has read it, was structured in a manner that it was not only paying for the cost of money for the improvements, but it was also taking into account the debt retirement side of the factor so that the payment was substantially more. He stated at that time Fargo Jet Center accepted that, based on the idea that they had planned to buy the building as the value reduces down. He stated he feels that is far more a mortgage contract than what we are looking at now. He stated he has no problem with what the two parties did in the first place, but he thinks this scenario would be far more defensible than what we have now.

Mr. Pawluk stated in reviewing the history, it is obvious that the parties spent a considerable amount of time on this agreement. He stated it was clear to him that the Airport Authority wanted every incentive for the lessor to buy out their interest on the lease so the money could be returned to the improvement fund. He stated we are being asked to change the course of the agreement that the interested parties agreed to at that time. He stated his other point is that Dr. Hamilton had no intention of purchasing the hangar and he made that quite clear, he wanted only a lease. He stated that may change our perspective.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Mr. Pawluk stated if the Fargo Jet Center hangar is a commercial building and we were strictly the owners and were leasing it, we would probably ask for \$6,871.60 (1%) a month for rent, and he feels Mr. Kilander would back him up on that. He stated the current lease payment is \$4,293 a month and they are proposing to reduce that to \$2,300. He stated he would need to be convinced that a change is needed.

Gen. Macdonald stated originally Fargo Jet Center came in and built a facility with their own building attached to it and operated. He stated Dr. Hamilton came in and borrowed the money for the entire facility and leased it. He stated in hindsight he would have told Pat and Jim not to buy Aviation Resources, but wait because in a short period of time the Airport Authority is going to come to you and offer you almost free rent to take it over because we are going to sit there with a vacant building because we as an authority cannot go out and give it to another FBO and put Fargo Jet Center in a position where they could not exist because the other FBO is not paying any rent. He stated he feels Fargo Jet Center saved us from a very embarrassing position and we have to turn around and take a look at this whole thing. He stated if what Attorney Stewart says is true and we cannot sign a document like this, then it seems the obvious thing to do is to go to a straight lease with an option to buy at any time they want at appraised value.

Chairman Anderson stated they already have an option to buy with the lease in place.

Gen. Macdonald stated if the current agreement is a lease then why are there principal payments.

Attorney Stewart stated we used an amortization schedule and principal payments in order to fix the buyout price and that is the only reason. He stated he has said that over and over.

Gen. Macdonald stated he is not going to argue the fact that agreement was written as it was and both parties agreed to it. He stated his objection is that if you extend the agreement out the Airport Authority is going to end up getting a 20% return and I don't think we need that.

Mr. Kilander stated it goes back to the philosophical question of whether or not the MAA wants this lease to be a profit center for the airport or do we want this whole program to encourage development on the airport.

Chairman Anderson stated he thinks Mr. Pawluk is right in that the whole agreement was put together to encourage them to buy it out as soon as they could, and the longer they wait the buyout numbers get closer to the original cost.

Mr. Kilander stated he does not agree that just because there is a signed agreement that we cannot revisit it.

Chairman Anderson stated he has never seen anything showing a 20% return so someone would have to show him that. He stated the Airport Authority wants to support Fargo Jet Center but he does not want to subsidize them. He stated we need Attorney Stewart's opinion on what is legal and what is not legal.

Mr. Pawluk stated he agrees with points on both sides, however, he is sensitive to the issue of setting this board up to public ridicule and being accused of giving things in a sweetheart deal.

Gen. Macdonald stated maybe Fargo Jet Center should look for another lending source. He stated it is frustrating to him because he feels they saved us from a potentially embarrassing situation. He stated he is happy with a return of one or two percent above what we could get if the cash was sitting in hand.

Chairman Anderson asked Attorney Stewart if he had a problem with changing the term.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Attorney Stewart stated he does not have a problem with changing the term. He stated if the Airport Authority is going to rewrite the buyout option we have to consider how we are going to answer others who ask why the airport doesn't do the same thing for them. Attorney Stewart stated if the buyout was set at appraised value it would be hard to criticize that.

Attorney Stewart stated as far as revenue sources, when we have our negotiations with the airlines they want to know what our revenue sources are because they do not want to be subsidizing anyone.

Mr. Dobberstein stated the FBOs are clearly a revenue source for the airport, although they are not our primary revenue source.

Gen. Macdonald stated if we raise the option to purchase to our actual cost of construction, available for buyout at any time, and then make it a straight lease using our cost of money. He stated it would not change a lot but it would make it more palatable for Attorney Stewart.

Mr. Pawluk stated if the present monthly lease is \$12,385, he does not know how he can defend renegotiating a lease to \$6,800, or almost a 50% reduction in the lease.

Mr. Pawluk stated the original agreement was for 15 years and we are six years into that term and we are looking at a 25 or 30 year extension, so by granting an extension we would be saying that we are not really interested in getting our principal back.

Mr. Kilander stated that would bring us back to his original question, which is what does the Authority look at as our obligation or direction. He stated he feels it should be to foster continual growth at the airport however we are able to do that, as long as we have a defensible position. He stated he has no problem at all sitting down with people and renegotiate contracts.

Mr. Pawluk stated he feels we have created that environment and we have done all of those things. He stated he does not know where else in Fargo you can lease \$2 million worth of buildings for \$6,800 a month.

Mr. Kilander stated it is his contention that the service being provided for the Fargo Jet Center is not costing the Airport Authority anything. He stated if we can do this for them and make it justifiable, we can do it for anyone else who would want to come up there and do it because it does not cost us anything.

Mr. Pawluk stated he does not think he can publicly defend giving someone the equivalent of \$72,000 a year, which is in essence what we would be doing. He stated he feels the Authority has taken any opportunity we have to help any of the tenants on the field.

Mr. Pat Sweeney was recognized and stated we need to get back to the basics of what the airport is doing. He stated he is originally from Fargo and started flying in 1975. He stated once he took control of Weather Modification in 1992 he had the desire to move the business to Fargo. He stated one of his frustrations of flying into Fargo between 1975-1995 was the facilities available to the public. He stated he chose to relocate Weather Modification to Fargo and start Fargo Jet Center, which would be a first class FBO, which Fargo did not have at that time. He stated he brought clients to Fargo and was embarrassed. He stated he knows most of the pilots in the area and before he moved back to Fargo a lot of them had their aircraft at other airports because the environment in Fargo was difficult to deal with and the facilities were not available. Mr. Sweeney stated he took it upon himself as a personal challenge to change that. He stated he

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

initiated development of the new general aviation park up north. He stated most of the board members know that it was he and his brother (Fargo Jet Center) that had the idea to locate up north.

Mr. Sweeney stated when he first approached the Airport Authority about locating in Fargo they were offered space in the southeast general aviation area but there was no room for expansion. He stated at that time Mr. Parmer indicated plans for development of the north general aviation were on the Airport Master Plan. Mr. Sweeney stated he told Mr. Parmer they were interested in being the first tenant in that area and it worked. He stated their desire to locate in the north general aviation area also initiated the interest for Valley Aviation to locate up north.

Mr. Sweeney stated the north general aviation area does several things. It provides Weather Modification and Fargo Jet Center a place to generate revenue for their businesses, but it also serves as the general public's access to general aviation. He stated it is the welcoming wagon to general aviation in Fargo. He stated 90% of general aircraft coming into Fargo comes to Fargo Jet Center as it is today. He stated they do not charge them to land there or use their facilities. He stated many aircraft land, unload passengers, and they do not spend a nickel, yet they get 100% of the service on the ramp and have access to their facilities open to the public.

Mr. Sweeney stated as far as the Airport Authority feeling like they are running a leasing company, he asked Chairman Anderson if he would leave the Olaf Anderson & Son facilities open 24 hours a day for people to come in and have coffee, walk around the shop and have a public place for meetings. He stated he does not think so, but their facility is exactly that, it is a public use facility and is not just for their exclusive use, open to the public. He stated another thing different from other leased real estate is that they also pay the airport 1.5% of the revenue generated from the facility and two cents per gallon of fuel pumped.

Mr. Sweeney stated as far as leaving the leases as they are, Valley Aviation went broke. He stated Gen. Macdonald is right that we should probably have let Valley Aviation die and blow away in the wind and let the Airport Authority take the hangar back on default. He stated they could have waited for an auction on the ramp to have a facility shut down and have a big disruption in the flow and prosperity and future of this airport. He stated it would have been embarrassing to Fargo and would have been personally embarrassing to him as a general aviation business owner to have a general aviation business fail. He stated he took it upon himself personally to have discussions with Dr. Hamilton, and it was Dr. Hamilton who came to him. Mr. Sweeney stated if things continue to go as they are the Airport Authority can have the hangars back and they will deal with the buildings they own and the Airport Authority can go find a renter and get its big rent.

Attorney Stewart asked Mr. Sweeney if he is saying we have to rewrite the contract.

Mr. Sweeney stated he is not saying that.

Attorney Stewart stated this is getting way beyond this agreement.

Mr. Dobberstein asked if the cash flow of Fargo Jet Center was a problem prior to the acquisition of Aviation Resources then why didn't this matter come before the board then.

Mr. Sweeney stated they closed the deal December 21, 2001, and to tell the truth on December 15 he did not think the deal was going to go through, but then all of a sudden Dr. Hamilton said lets do it and it was done.

Gen. Macdonald stated if these buildings were at some other location in town the lessor would get a monthly lease payment, but the owner would not also be getting 1.5% of the revenue of the business, and that has to be taken into account.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Chairman Anderson stated if that building was in the industrial park or another part of town it is not comparable to what we are doing at the airport. He stated normally an investor needs to get 10-12% on lease payments. He stated we are talking apples and oranges when we are talking about buildings in other parts of town.

Mr. Pawluk stated he would like to accent what Pat said about them providing the 24 hour service and their percentage payments to the airport. He stated the Airport Authority did make a considerable investment of its entitlement funds to develop the north general aviation area.

Chairman Anderson stated there are a lot of things that work both ways. He stated we have to get to something that our attorney is comfortable with and that is agreeable to everyone else. He stated he is not sure where we should go from here.

Gen. Macdonald stated he recommends changing the buyout amount to the original cost of construction. He added that we continue the renegotiation of lease rate based on our cost of funds at the time.

Mr. Steve Blazek was recognized and stated even though he is an outsider he would like to comment. He stated there are a couple of things the board is not even mentioning. He stated first of all you are dealing with a depreciating asset. He stated it seems the board is also not considering the risk. He stated Mr. Sweeney indicated if it doesn't work they are going to walk away. He stated he would suggest that the board has to get the principal and the risk to the Airport Authority so that if there was a fire sale the Authority isn't holding a large portion of the principal at risk. He added that appraised value and the cost of construction are two different values.

Chairman Anderson asked for a recommendation on our next step.

Mr. Sweeney stated there have been quite a few delays which have been out of anyone's control. He stated he would like the board to appoint a committee to meet with them and work something out. He stated although it is informative, it is a waste of time to debate this at board meetings. He stated he would like to sit down with a committee and then have the committee come back to the board with a recommendation.

Chairman Anderson stated he agrees and asked if anyone had a problem with that.

After discussion it was determined that Mr. Pawluk, Mr. Kilander, Attorney Stewart and Mr. Dobberstein will comprise the committee and meet with Fargo Jet Center officials.

Receive Update on Hangar #2 Project:

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated they are pouring the concrete floor in Hangar #2. He added that weather permitting they will start the remaining outside work.

Chairman Anderson stated the building should be substantially complete by June 1. He stated the office alternate will not be started until we get word from the Guard on whether or not they will be leasing the hangar.

Other Business:

Mr. Dobberstein stated he and Chairman Anderson co-signed a letter to the City of Fargo Human Resources Department proposing the reclassification of the Airport Assistant Director (C-42) to Chief Operating Officer (D-61). He stated all of the members were provided with the documentation for this reclassification. He stated there are two matters on which Mr. Darren Anderson will be reporting directly to the Airport Authority: security and safety/certification.

Mr. Dobberstein stated the ND Aeronautics Commission has arranged a meeting with United Airlines in Chicago this Thursday, regarding the small community air service grant for which the state will be applying. He stated this will be the same type of meeting they had with Northwest Airlines a few weeks ago. He stated he would be attending this meeting.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 23, 2002, at 8:00 a.m. in the Airport Boardroom.  
Time at adjournment was 10:26 a.m.

Regular Meeting

Tuesday

April 23, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 23, 2002 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson

Absent: None

Others: Stewart, Bromenschenkel

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 9, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held April 9, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$18,334.49:

Dr. Clark moved to approve the airport vouchers totaling \$18,334.49.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Cougar Tree Care:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,345.00 to Cougar Tree Care for maintenance of access road trees, part of the Airport Tree Maintenance Plan.

Second by Gen. Macdonald.

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

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

Received First Quarter 2002 PFC Report::

Mr. Dobberstein distributed copies of the PFC Report for the first quarter of 2002.

The PFC Report for the First Quarter of 2002 was received and filed without objection.

Received Notice of FY2002 Federal Grant Amount as Related to Projects AIP25 and AIP26:

Mr. Dobberstein stated that the board will recall that the grant for Project AIP25 was a multi-year grant for the Runway 8/26 and Taxiway C Extension. He stated our entitlement funds for 2002 were \$2,018,272, which will go toward that project. He stated the total grant amount we received over the last two years for that project was \$4,583,247.

Mr. Dobberstein stated that Project AIP26 include the expenses for additional security measures since September 11, for which we applied to the FAA for reimbursement. He stated the amount of the grant was \$28,606, but details on the items in the grant are not for public dissemination.

Received Communication from AT&T Wireless Regarding Lease Extension:

Mr. Dobberstein stated in November 1992 the Airport Authority entered into a lease with Claircom, Inc., for a 30' x 40' tract of property on the north end of the airport for a communications facility. He stated the facility is a 15' x 15' shed with a tower and is used for "in-air telephone" use.

He stated the lease agreement was executed in 1992 and all of the options have been exercised and is set to expire April 30, 2002. He stated the lease is now in the name of AT&T Wireless Services and they are not looking to extend the lease for another three-year term. However, they would like to extend the lease through the end of 2002 with options for renewal. He stated the technology that is there right now will soon be obsolete and at some time will want to take it out.

Mr. Pawluk moved to approve the extension of the lease with AT&T Wireless Services to December 31, 2002.

Second by Dr. Clark.

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

Approve the Revised FAA Capital Improvement Plan:

Mr. Dobberstein stated that each year the FAA requests a three year Capital Improvement Plan. He stated Mr. Steve Obenauer and Mr. Tom Schauer from the Bismarck FAA Airports District Office are present today, along with representatives from the ND Aeronautics Commission, Gary Ness, Mark Holzer and Roger Pfeifer.

Mr. Dobberstein stated he and Mr. Steve Synhorst, Ulteig Engineers, readjusted the plan we had looked at earlier this year. He stated we submitted a revised CIP to include the security related Capital Improvement Plan, which was to upgrade our access control system around the airport, which is still pending.

Mr. Dobberstein stated for FY2003 we anticipate receiving approximately \$2 million in entitlement funds. The projects identified for those funds are: engineering for the reconstruction of primary Runway 17/35 and Air Museum apron, rehab G2, G3, G4 and a portion of Taxiway B and Runway 13/31 Thresholds.

Mr. Dobberstein stated Item #2 on the plan would require our entitlement funds for two years, 2004-2005, for the total reconstruction of Runway 17/35. He stated the total estimated cost is \$20 million, and we will be seeking approximately \$13.8 million in discretionary funds.

Mr. Dobberstein stated for 2006 we show the rehabilitation of shoulders on taxiways, rehab south GA aprons, etc. He stated any projects beyond that are just guesses of when we will be able to do them.

Approve the Revised FAA Capital Improvement Plan: (Continued)

Mr. Pawluk moved the Airport Authority approve the Revised FAA Capital Improvement Plan as presented.

Second by Mr. Kilander.

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

Received Update from Fargo Aero Tech Regarding Their Proposed FBO Fuel Service:

Mr. Emory Babolian, Fargo Aero Tech, was recognized and stated they have submitted all of the necessary paper work has been provided to the City of Fargo and the process is progressing.

Mr. Dobberstein stated the designated self-fueling area in the southeast general aviation area is west of Bill Wiemann's hangar, where the Fargo Air, Inc. self-fueling facility is located. He stated it is his understanding that the Fargo Aero Tech tanks would allow for credit card fueling. He stated one of the requirements with a self-fueling system available to the general public is to have restroom facilities available for the transient pilots/passengers.

Mr. Babolian indicated they would plan to go to a 24-hour operation.

Mr. Dobberstein stated our minimum standards require an FBO to be open from 7:00 a.m. to sundown, even though some choose to be open 24 hours.

Received Communication from Fargo Jet Center Regarding South General Aviation Area Fuel Farm:

Mr. Dobberstein stated we received a communication dated April 19, 2002, from Mr. Darren Hall, Director of Line Operations for Fargo Jet Center. The letter indicated they are proposing to consolidate their north and south fuel farms to increase safety, efficiency, and the level of service available to their customers. They are requesting authorization for the following:

- 1) Relocate a 22,000 gallon Jet A storage tank and pump system from the south
- 2) Convert 15,000 Avgas storage tank located in the north fuel farm to Jet A.
- 3) Install self-service Avgas system in south fuel farm. Self-service customers will be required to establish an account with Fargo Jet Center and receive appropriate training prior to utilizing. This will ensure a level of safety by having all users familiar with the system.

Mr. Hall's letter also indicated the plans have been reviewed and approved by the Fargo Fire Department.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated that seven years ago they built a fuel farm on the north end of the airport. He stated the fuel farm they acquired in the Valley Aviation purchase is on the southeast end of the field. He stated the fuel farm on the north end will be just for jet fuel storage and the south end used for Avgas.

Mr. Kilander moved to approve the request from Fargo Jet Center for fuel farm consolidation, subject to their meeting all applicable codes.

Second by Gen. Macdonald.

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

Received Update Regarding Proposed Agreement with Transportation Security Administration (TSA):

Mr. Dobberstein stated in early April the TSA sent out a directive to airports requiring that airports make certain law enforcement takes over responsibilities at the security checkpoint when the National Guard's duty ends. He stated we anticipate the Guard being in place through May 31, so on June 1 we need to make certain that the required law enforcement presence is at the checkpoint. He stated there is a standard agreement we would have to enter into with the TSA. He stated we are anticipating that any costs associated with covering the checkpoint duty will be reimbursed by the TSA on a negotiated basis. He stated the agreement must be in place by May 10.

Mr. Dobberstein stated Attorney Stewart has reviewed the draft agreement and upon the approval of the Airport Authority he and Mr. Darren Anderson will make certain the agreement is in place. He stated we are required to submit costs for covering that for May 10, 2002 to December 31, 2003. He stated the cost of the contract could be as much as \$450,000. He stated the law enforcement contingent that could be present could be a combination of Fargo, West Fargo, Cass County Sheriff, possibly the Moorhead Police Department and other. He stated the Fargo Police Department is in a staff crisis situation because of military call-up and will have a very difficult time meeting the requirements at the checkpoint. He stated they have reached out to the other agencies for mutual aid. He stated the checkpoint is open approximately 15 hours per day, with some exceptions for diversions, etc.

Mr. Dobberstein stated we are still checking into the possibility of the airport entering into an agreement with the National Guard to keep the Guard here. He stated we are working with the FAA and the TSA to see if that is possible.

Mr. Pawluk moved the Airport Authority authorize the Airport Security Coordinator to represent the Airport Authority in negotiations for the airport security plan.

Second by Dr. Clark.

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

Mr. Pawluk stated his concern is the TSA's ability to pay the dollars that they say they are going to pay. He stated we should be prepared that we may have to hold the bag for a long time.

Continued Discussion Regarding Airport Master Plan Update:

Mr. Dobberstein stated this will be the last input meeting with Mr. Wagner, Coffman Associates, before finalization of the Airport Master Plan.

Mr. Steve Wagner, Coffman Associates, was recognized and stated we started the Airport Master Plan Update a little over a year ago. He stated late in the process we learned that what we had shown previously with regard to meeting the standards for the safety area at the south end of Runway 35 was not going to work. He stated we had always shown the relocation of 19<sup>th</sup> Avenue North, which would include regaining the threshold and relocating the localizer antenna outside of the safety area. He stated as we concluded the Airport Master Plan we realized that relocation was no longer a viable option so the FAA asked that we prepare a Sufficiency Analysis. He stated that has been summarized in "Appendix D" which will be inserted into the final Airport Master Plan.

Continued Discussion Regarding Airport Master Plan Update: (Continued)

Mr. Wagner stated one thing they pointed out with regard to existing conditions is that as nearly as we can tell, the entire length of Runway 17 is available to aircraft for landings and take-offs at this time. He stated there is no published directive to not use the final 400' at the south end of the runway for safety area. However, operations on Runway 35 are displaced by 400', although the entire runway is available for take off to the north.

Mr. Wagner stated after reviewing all of our options, they met with the FAA Airports District Office in Bismarck and representatives from the ND Aeronautics Commission, and everyone felt the best thing to do was go ahead and show a relocation of the threshold of the runway, allowing us to relocate the localizer and to create a full 1,000' safety area at the end of the runway without requiring the relocation of 19<sup>th</sup> Avenue. He stated the down side to this is that we lose the pavement at the very south end and we have to bring in a new entrance to the runway on both sides. He stated this will leave us with 9,000' of useable runway.

Mr. Wagner stated back at the beginning of the Master Plan when we looked at runway length requirements for different aircraft, we felt there was a potential for larger freight aircraft to need slightly more than 9,000' in the future. He stated taking that into consideration we have shown a proposed extension of 400' on the north end to give us an ultimate length of 9,400'. He stated that 400' extension would require the acquisition of some property at the north end, which we have shown in the Master Plan. He stated a 400' extension would not impact the location of County Road 20 nor does it impact the location of the localizer antenna on the north end.

Mr. Wagner stated the relocation of the localizer on the south end will require resetting the approach light system, which was put in over 20 years ago and FAA Airway Facilities felt the least it needed was new cable. He stated we could tie our project in with their project.

There was discussion on whether or not the excess concrete on the south end of the runway would have to be removed or if it could be properly marked and left in place for safety reasons.

Mr. Tom Schauer, FAA, was recognized and stated the FAA would not necessarily have a problem with the airport leaving the concrete in place, however, in the future if the concrete deteriorates and becomes a FOD hazard, the FAA would not pay to replace the concrete.

Mr. Pawluk stated it seems to be the consensus that it does not make sense to remove the existing concrete since it can still function as a safety area, it will just be marked so that you cannot land or take off on that spot.

Mr. Wagner stated another matter that came up in their meeting last month was the future location for the new fire station on the east side. He stated we had previously shown a location in the terminal area facing onto Taxiway A. He stated in this case they show a location on the east side adjacent to Bravo 3, which they felt would be the best access onto the airfield. He stated other options could become available, but his thinking is if the ASR is moved before the new fire station is built, and we are already talking about getting the mid-field exit moved up in the schedule, it might be advantageous to just build the mid-field exit all the way across and then locate the fire station next to that. He stated the goal is to locate the fire station geographically in the middle for quickest response.

Mr. Dobberstein stated it is his understanding the Guard is pursuing funds for FY2003 to build the fire station. He added that if they are not able to use Bravo 3 or the mid-field taxiway, they may look for some funds from the board to provide them access to the main runway.

Continued Discussion Regarding Airport Master Plan Update: (Continued)

Chairman Anderson asked if the changes to the runway length will preclude any aircraft that has landed here in the past from landing in the future.

Mr. Dobberstein stated the only aircraft that would not be able to operate would be a fully loaded 747-400 freighter that wants to fly 6,000 miles on a 95-degree day. He stated in most cases a freighter would operate either early in the morning or at night when you would not find those temperatures. He stated they checked with the Guard as well and they could not identify any aircraft that would not be able to use a runway that length.

Mr. Wagner stated as soon as they make the corrections to the airport layout drawings they will send drawing sets for signature by the chairman of the Airport Authority. He stated the Master Plan is really just an acceptance of the planning document for the Airport Authority to use and the FAA does not officially approve it. He stated they do, however, approve the Airport Layout Drawing and this is will be the airport's blueprint for development, until such time in the future when changes are required.

Gen. Macdonald stated there are three things he would not want to see happen. He would not want to have to remove the concrete on the south end of Runway 35 just because it is shown on the drawings. He stated he wants to confirm that the mid-point taxiway will be completed in the short term rather than wait. He stated he feels it should be done in conjunction with the runway project. He stated we should also show the taxiway to the fire station as a short term project rather than a long term plan.

Mr. Dobberstein asked if there are any other people present at the meeting who may have served on the Planning Advisory Committee who have comments.

There were no other comments.

Mr. Kilander moved the Airport Authority accept the Airport Master Plan as presented, with the three changes outlined by Gen. Macdonald to be included.

Second by Dr. Clark.

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

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

Received Communication from NDSU Research & Technology Park:

Mr. Tony Grindberg, Executive Director of the NDSU Research & Technology Park, was recognized and stated about a month or so ago he visited with Mr. Dobberstein about the possibility of him serving on a committee to develop a master plan for the Research & Technology Park, and that is something we may have to look at again. He stated he would like to call on Joel Davy (Foss Associates), Steve Stockman and Greg McCarthy (NDSU) to update the board on their ideas for the proposed building they are referring to as Research II, which is another research building.

Chairman Anderson stated Mr. Dobberstein received a communication dated April 19, 2002, from the Aircraft Owners and Pilots Association and there is also a representative of the AOPA present at today's meeting. He added we will ask for his input later.

Mr. Joel Davy, Foss Associates, was recognized and stated about two weeks ago they came to a meeting with Mr. Dobberstein to get some clarification on the easements pertaining to the property in the park. He stated they were quite surprised to find that in 1999 a clear zone on the centerline of the runway had been discussed. He stated he would call it an honest mistake that

Received Communication from NDSU Research & Technology Park: (Continued)

the understanding by NDSU was not clear that the Airport Authority was asking for this clear path on the centerline of the runway extending about half a mile from the end of the runway. He stated they found out about that when they spoke with Mr. Dobberstein in that meeting. He stated prior to that they had cited the building connected to Research I by a skyway. He stated originally these two buildings were conceived to work together and function together.

Mr. Davy stated Mr. Steve Synhorst, Ulteig Engineers, has provided them with an accurate location of the runway protection zone, along with the 1986 easement, and overlaid it on the plat map. He stated they have drawn plans moving Research II further north to create the clear path for the runway. He stated it is the intention of the University to work with the Airport Authority to try to make this research park and the airport be safe. He stated Research II is conceived to be 12" pre-cast plank with a concrete topping, so it is a very heavy building and it could probably take a hit from a light aircraft without sustaining much damage.

Mr. Pawluk stated he does not like the sound of that. He stated what Mr. Davy is saying is that since they are thinking of locating buildings in an area where we have the probability of having an aircraft crash into them what we need to do is reinforce the building.

Mr. Davy stated the building is not being reinforced for the airplanes. He stated he mentioned the construction of the building just as an aside. He stated the building is constructed that way because the research efforts that will take place in that building will require a very high degree of vibration control and a steel building would not provide that stiffness of structure.

Chairman Anderson asked what they are asking of the Airport Authority.

Mr. Grindberg stated they are looking for concurrence that they can locate buildings anywhere within the park, as long as they are not in that path.

Chairman Anderson stated for him it is a no-brainer. He stated he lives and breathes NDSU but they are not going to get concurrence from him. He stated it doesn't make sense to put a building right in the path of a landing zone and he could not live with himself if he gave his approval to this plan and then a plane crashed into a building at some time in the future.

Mr. Davy stated almost the same situation exists with the terminal building and the maintenance facility.

Mr. Dobberstein stated those buildings are not within the centerline and they are also outside of the half mile area.

Mr. Grindberg stated Chairman Anderson asked what the board is being asked to approve, but he is not sure the Airport Authority needs to approve anything since the new proposed location of Research II would not be in violation of any of the easements or restrictions.

Chairman Anderson stated the Airport Authority probably can't do anything to change their plans but from his personal standpoint he would find another place for the building.

Mr. Grindberg stated the same thing happened with Research I and they cannot jeopardize a \$15.3 million building.

Gen. Macdonald asked if the second building has to be that close to the first building.

Mr. Grindberg stated that concept was covered in the meeting here a week ago with Dr. Chapman, and the central point, the entrance, the activity and the life of the park is in Research I. He stated from the standpoint of clientele, relationship with business, industry and growth of the parking is all coming through the Research I entrance. He stated the staff from both buildings will integrate with each other so it is important that they be able to move easily between the two buildings.

Received Communication from NDSU Research & Technology Park: (Continued)

Mr. Dobberstein stated he maintains that to place the building in the site first shown would be in direct conflict with the good faith effort we entered into with NDSU, and both he and the Fargo Planning Commission have the maps to prove it. He stated he does not know who dropped the ball or what the best option for another location would be. He stated the Clear Zone Easement signed in 1986 states that "it is deemed necessary that the land in the immediate approaches (within approximately one-half mile) to the runways of the said airport be and remain clear of any buildings, structures..." Mr. Dobberstein stated a document was created by Mr. Dennis Collitin, NDSU, and was imposed onto a drawing by Ulteig Engineers. He stated that is what the Airport Authority's understanding was and that was what we were shown in 1999. Mr. Dobberstein added that there is an assumption that has been made that just because the FAA says it is okay, go ahead and build, but that is furthest from the truth.

Mr. Dave Hill, commercial pilot and member of AOPA, was recognized and stated he uses Runway 13/31 and this is a very important runway to the airport. He stated he is here today to make Mr. Grindberg aware of Mr. Hamilton's (AOPA) letter and that he is the airport representative for the AOPA. He stated before he came to Fargo he lived in Denver and worked with Mr. Hamilton through the Colorado Pilot's Association when Stapleton was moved to DIA. He stated it is rare when you have an opportunity to get a fresh sheet of paper and to build an airport where you can take everything into consideration that is important in airport planning. He stated to that extent this board has done a great job with its Master Plan and its commitment to the southeast general aviation area. He stated he wanted to provide Mr. Grindberg with a study done on where airplane crashes occur and the vast majority do not occur on the airport. When they are in the area they happen right on the centerline and whether they are departure or arrival accidents that centerline is a very critical area. He stated his conscience would not be clear if he did not make NDSU aware of the fact that with full knowledge they could be building a structure that has a statistical possibility of an accident. He stated crashes are rare, but with the winds the way they are in Fargo this is a very critical landing area for light general aviation aircraft. He stated we are all taught as pilots to maintain the centerline until you are at a safe altitude. He stated the fact that it is a safe area now, he is concerned that anyone would knowingly want to build where a pilot or a citizen could come in harm's way.

Mr. Pawluk stated he would like to direct this comment to NDSU and to Mr. Davy, and that is it would seem the choices that NDSU has at this point are all compromises. He stated they are compromising what the original building is, it would seem that they are compromising what Tech III will ultimately be, and he feels that the compromises they are faced with all have bad consequences under certain conditions. He stated he knows that NDSU intends to honor the Clear Zone Agreement and we have received that assurance. He stated even this Clear Zone Agreement was signed by the Lt. Governor back in 1986 when the University entered into the agreement. He stated his point is that there is a lot of support for the project and the success of the Tech Park, but all of the choices at this point are bad choices. He stated to continue down this road has negative consequences for their plan and their project. He stated it is foolishness to build a building right in the approach path. He stated airports have a responsibility to protect their approaches.

Received Communication from NDSU Research & Technology Park: (Continued)

Mr. Grindberg stated he appreciates everyone's comments and he will take them back to Dr. Chapman. He stated it is their intention to make it work so that it is not in the clear zone and he sees them moving down this path with this type of arrangement. He stated from a practical standpoint, they have a time frame to meet and ultimately some day that lot will be available for a building.

Mr. Davy stated he believes what Dr. Chapman decided to do, following the meeting with the airport, was to go back, move the building up, and try as much as possible to meet the intent of the master plan proposed to the airport in 1999, which is to keep the zone clear on the centerline of the runway.

Chairman Anderson stated there was discussion at one time of building the roads in the park along the centerline in case an airplane went down it would hit the road.

Mr. Pawluk stated he does not think what they are proposing does honor the spirit of the agreement. He stated we can split hairs on this, but what NDSU agreed to and what we ultimately compromise to is really not this agreement. He stated he does not think that is in the best interest of the airport or the university to see it go forward as presented.

Chairman Anderson asked for further comments and being none the item was tabled.

Continued Discussion Regarding North General Aviation Hangar Leases;

Chairman Anderson stated this item was discussed at the last meeting, and a committee comprised of Mr. Pawluk, Mr. Kilander, Mr. Dobberstein and Attorney Stewart was appointed and has met with Fargo Jet Center officials since that time. He asked if the committee has a new proposal for the board to consider.

Mr. Pawluk stated the committee met with Fargo Jet Center on Thursday, April 19 from 8:30 am to 11:30 am. He stated present at the meeting were he and Mr. Kilander, Mr. Dobberstein, Attorney Stewart, Mr. Jim Sweeney, Mr. Pat Sweeney, Mr. Randy Jenson (Fargo Jet Center) and Mr. Emory Babolian (Fargo Aero Tech). He stated he would have to say that we all understand all of the positions people have taken on this matter, but he did not sense that there was any change in anyone's perspective on what action should be taken.

Mr. Jim Sweeney was recognized and stated they were hoping to come out of the committee meeting with a recommendation for the board but that did not happen. He stated there was a lot of healthy discussion but no resolution. He stated they are still interested in a new lease agreement based on the fact that they have a very new situation and a new company set up in the north general aviation area. He stated his request to the board today would be can we come up with some compromise of what we have existing and what they originally proposed and with everyone coming out feeling good about it.

Chairman Anderson stated he would like a specific proposal to consider and we don't have that today.

Gen. Macdonald moved the Airport Authority enter into a lease with JP Development for a 20 year term and that the payments be \$7,750 per month, that it be a straight lease with no reduction in the principal amount, and they would have the opportunity to purchase the buildings at any time for an amount determined at this time (approximately \$1,608,030). He added that this would provide a return to the Airport Authority on the \$1.6 million of about 5.8%.

Continued Discussion Regarding North General Aviation Hangar Leases; (Continued)

Second by Dr. Clark.

Chairman Anderson asked Gen. Macdonald if he has discussed this with Mr. Jim Sweeney.

Gen. Macdonald stated he has had some conversations with Mr. Sweeney but he does not know that they have discussed specifics so he does not know if Mr. Sweeney agrees or not.

Mr. Jim Sweeney stated he would prefer a 25-year lease. He also asked Mr. Dobberstein if that amount would include the utilities and parking lot.

Mr. Dobberstein indicated those amounts were included.

Chairman Anderson stated he would like some time to consider this proposal rather than having to vote on it today.

Gen. Macdonald asked Attorney Stewart if this would fulfill all legal requirements since it would be a straight lease.

Attorney Stewart indicated he would have no problem with that.

Mr. Kilander stated he is uncomfortable with the word "principal balance" when what we are really talking about is the "purchase price".

Attorney Stewart indicated we would establish a purchase option at a set price.

Mr. Pawluk stated he is opposed to this. He stated the current monthly lease payments for both hangars is about \$12,300, which means about a \$4,500 reduction per month. He stated he thinks this board would have a hard time defending giving that type of a concession to a tenant that is already operating with a below market rate lease. He stated he feels the agreement that was originally put in place was done so as a result of negotiations between JP Development and the Airport Authority which began in 1994 and was ultimately consummated in 1996. He stated that agreement was put in place to spur economic development in the north general aviation and that has happened. He stated he believes the Airport Authority at that time felt that they wanted the return of their principal investment, not just a return on the investment. He stated all parties agreed to the formula in place and if we set the precedent of renegotiating this lease then we will see every tenant with whom the Airport Authority does business will be looking at this. He stated the Airport Authority has to ask itself if it is our intention to own those hangars. He stated he believes it was the Authority's intent that they did not want to own those structures and if we enter into this new agreement we will continue to own those structures.

Chairman Anderson stated he concurs with Mr. Pawluk and fully disagrees with the proposed change for all of the same reasons. He stated there would be others on the airport looking for a subsidy and that is how he sees it. He stated he still feels like we are a bank and that is not the purpose of the Airport Authority.

Mr. Kilander stated at the committee meeting it was suggested that any new lease agreement keep the credit for principal at 85% for the remainder of the lease term. He stated Attorney Stewart indicated he did not feel that would be a defensible position. Mr. Kilander stated on his own volition he contacted the Attorney General's office and they informally supported Attorney Stewart's position. He stated he thinks there are a couple of issues to consider:

1. Based on his conversation with the Attorney General's office, if we can keep a level purchase price throughout the lease as an option, that would stand the test of litigation. He stated that would be well within what has been done in the past in North Dakota.
2. The truest form of a lease was purely a lease payment, identified as a lease payment, and an option to purchase being hung on something that had validity. He stated he feels Gen. Macdonald's motion does both of those things.

Continued Discussion Regarding North General Aviation Hangar Leases; (Continued)

3. If we did see other leases come before us for re-examination, he does not see that as a negative.

Mr. Kilander stated to speak to Mr. Pawluk's points, he stated he feels the new lease would take a very complex lease agreement and provide some relief for Fargo Jet Center and also increase the probability that we will not be property owners in 25 years.

Chairman Anderson stated the idea of having to vote on this proposal today after not having time to consider it is disturbing to him. He stated the idea at the inception of the current agreement was economic development, and in his mind the economic development has taken place.

Mr. Jim Sweeney stated to comment on the economic development issue, those agreements were put in place seven years ago and he feels they did not work since one of the lessees did not make it. He stated they are a unique tenant as there is not another tenant on the airport who has invested millions of personal dollars to make a project work. He stated the Airport Authority has a small part of that entire project and they are asking for a renegotiation of a lease based on their new financial picture. He stated under the existing agreement they will pay for 100% of the buildings twice. He stated the Authority owns those two facilities today under the existing agreement and they may own them for the next 25 years. He stated he completely disagrees that a reduction in the amount of payment of the lease agreement would be a "subsidy." He stated based on projections for this year Fargo Jet Center will pay close to \$200,000 to the Airport Authority in lease payments and percentages paid on revenue. He stated it is not the purpose of the Airport Authority to be in the investment business to go out and make money. He stated it is completely within the mission of the Airport Authority to put money up to improve and increase the airport.

Mr. Pawluk stated that is what we did.

Mr. Jim Sweeney stated as opposed to the existing agreement, he considers the agreement proposed today to be nothing different than we have been talking about for the past few weeks. He stated this is simply a lease with a specified lease amount with an option to purchase at any time for an established purchase price.

Mr. Pawluk stated JP Development would never purchase the buildings if they were able to lease them for \$7,750 a month. He stated the problem is we have an agreement that has been in existence for seven years and on the strength of the motion and twenty minutes of discussion we change the agreement and give over \$50,000 in corporate welfare, if we want to use that term, to Fargo Jet Center directly out of the airport's budget and we will never have the opportunity to visit this issue again. He stated what we do today will be in existence for the term of the lease and he feels it is very one-sided.

Chairman Anderson stated the rate JP Development has right now is about half the rate they would pay at a bank.

Mr. Sweeney stated the bank would make them pay for it only once.

Chairman Anderson stated JP Development entered into this agreement.

Mr. Sweeney stated the agreement is not working.

Mr. Gib Bromenschenkel stated his recollection of this agreement was that the Airport Authority did not want to end up owning the buildings. He suggested that Fargo Jet Center apply to the City of Fargo for MIDA bonds and that they purchase the building outright.

Dr. Clark stated she seconded the motion just for the purpose of discussing the motion. She stated she agrees that since this is the first time any of the members have seen this proposal that we have some time to consider it. She stated it might also be a good idea to give Mr. Sweeney some time to check out Mr. Bromenschenkel's recommendation.

Continued Discussion Regarding North General Aviation Hangar Leases; (Continued)

Mr. Pawluk stated there is an agreement in place so it is not like everything is going to fall apart if we do not take any action today. He stated there is an agreement in place that has worked for the last seven years.

Mr. Kilander stated that there has been concern expressed about whether or not whoever has the lease 25 years down the road would want to purchase the building. He stated he did a calculation based on \$1.9 million and compounded that by a 2.5% inflation factor, and at today's value of the dollar those buildings would be purchase at somewhere around \$260,000 in today's dollar. He stated he does not think the Airport Authority would have any trouble getting that kind of a purchase price on that asset.

Mr. Sweeney stated he would appreciate the motion being tabled and considered at the next meeting.

Chairman Anderson stated a motion can be brought up again at a future meeting.

Mr. Bromenschenkel stated it may be more logical to table the motion as the only person who can bring it back is one who voted in the majority.

Mr. Kilander stated any member may have an opportunity to change their vote to the prevailing side for point of reconsideration.

Chairman Anderson called for a vote on the motion.

Members Kilander and Macdonald voted aye.

Clark, Pawluk and Anderson voted no.

The motion failed.

Mr. Kilander stated he would like to change his vote to no for the purpose of being able to bring the motion back to the table.

Other Business:

Mr. Dobberstein stated he received a request from the soccer group that the Airport Authority reconsider the wording of the sign to be placed in the soccer complex. Some of the representatives felt the wording was too harsh. The agreed upon sign was as follows:

"This property is owned by the Municipal Airport Authority and is leased to the Fargo Park District. This lease may be terminated if the property is needed for airport related uses."

Mr. Dobberstein stated the soccer group would like the last sentence eliminated from the sign.

Mr. Pawluk stated we had considerable discussion before deciding on the wording of the sign, and that was the intent we wanted to convey.

It was the consensus of the board that the wording on the sign remains as originally agreed upon.

Other Business: (Continued)

Mr. Dobberstein stated he provided the board members with draft copies of the ND Small Community Air Service Development Pilot Program. He stated airports across the country had until April 22 to apply for a grant under the Small Community Air Service Development Fund established by Congress. He stated this basically allows for up to 40 communities across the country to apply for grants that can be used for various air service issues. He stated the board members have seen this draft before but it has now been finalized.

Mr. Mark Holzer, ND Aeronautics Commission, was recognized and distributed copies of the application which has been submitted. He stated the airport managers and NDAC met with both Northwest Airlines and United Airlines. He stated we just met with our existing carriers as we felt our service at this time was adequate and did not wish to pursue other carriers. He stated the request for Fargo was to upgrade the turbo prop aircraft to regional jets and also to use some of the funds for marketing. He stated we should hear the decision sometime in June.

Adopted Resolution of Appreciation to Northwest Airlines for Reinstatement of Their Eighth Fargo-Minneapolis Flight:

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

WHEREAS, Northwest Airlines has announced that effective June 8, 2002, it will reinstate its eighth flight between Fargo and Minneapolis, after the flight had been dropped from their schedule following September 11, and

WHEREAS, The Municipal Airport Authority has appreciated the long standing relationship between Northwest Airlines and Hector International Airport, and

WHEREAS, This eighth flight will help both Northwest Airlines and Hector International Airport in providing even more options and service available to the flying public.

NOW, THEREFORE BE IT RESOLVED, that the Municipal Airport Authority of the City of Fargo, North Dakota, does hereby express its thanks and appreciation to Northwest Airlines for its efforts in securing this important and much needed service.

BE IT FURTHER RESOLVED, that this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy of said resolution be forwarded to Northwest Airlines.

Second by Mr. Kilander.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 14, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 10:08 a.m.

Regular Meeting

Tuesday

May 14, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 14, 2002 at 8:00 am in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Stewart, Bromenschenkel

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 23, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held April 23, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$21,969.52:

Dr. Clark moved to approve the airport vouchers totaling \$21,969.52.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Macdonald, Clark and Anderson voted aye.  
Absent and not voting: Pawluk  
The motion was declared carried.

Approved the Individual Voucher to Cook Sign Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,967.90 to Cook Sign Company for the Westside Terminal security gate wall project.  
Second by Dr. Clark.  
On the call of the roll, members Kilander, Macdonald, Clark and Anderson voted aye.  
Absent and not voting: Pawluk  
The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$360.00 to Ulteig Engineers, Inc. for payment request for professional services in connection with PFC #3 Amendment.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,051.87 to Ulteig Engineers, Inc. for engineering services in connection with Taxiway A Drainage Project.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$417.00 to Ulteig Engineers, Inc. for engineering services in connection with the legal survey for Hangar #2.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

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 \$457.38 to TL Stroh Architects for payment request for architectural services in connection with the Hangar #2 project.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

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 \$57,453.15 to Olaf Anderson & Son for payment request #6 for construction of Hangar #2.

Second by Dr. Clark.

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

Mr. Anderson abstained.

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,261.32 to Flint Communications for payment request for airport marketing program.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,902.01 to Foss Associates for payment request for architectural services in connection with the Westside Terminal Departure Lounge Plans/Specifications.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$33,140.70 to Fargo Electric Construction for Payment Request #1 for parking lot lighting upgrade project.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to The Forum:

Gen. Macdonald moved to approve the individual voucher in the amount of \$389.92 to The Forum for legal advertisement for Taxiway A Storm Sewer and Drainage Improvements.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved Plans and Specifications for Proposed Departure Lounge Project:

Mr. Bill Cowman, Foss Associates, was recognized and stated the plans and specifications for the departure lounge project are complete and we have published the first advertisement for bids yesterday. He stated we did this to gain a week in the time frame.

Mr. Cowman reviewed the plans for temporary secure barriers during construction. He stated he spent some time with Shawn and Darren outlining the responsibilities for the contractors, which will be included in the specifications. He stated they have asked the contractors to install the barriers one departure lounge at a time and have asked the contractors to work between the hours of 7:00 p.m. and 4:00 a.m. so they are not out here installing barriers during the busiest time of the day.

Approved Plans and Specifications for Proposed Departure Lounge Project: (Continued)

Mr. Cowman stated David Heck has indicated he would like a more durable material on the walls in the checkpoint area. He stated they are proposing to use a product that is a ceramic type material that is essentially scratch resistant, easy to maintain, and very durable. He stated we should be able to get it in a color that will come very close to matching the other walls.

Mr. Cowman stated as far as mechanical changes for the security maze and meeter/greeter lounge it was as simple as adding two ceiling fans to get air movement. He stated the restrooms will match the décor of the other restrooms which were remodeled two years ago.

Mr. Pawluk now present.

Mr. Cowman stated we have been very careful about the construction sequence due to the security issues. He stated we are looking at taking bids on June 4 and awarded at the first meeting on June 11.

Mr. Kilander moved to approve the plans and specifications for the departure lounge project, as presented and authorized advertisement for bids.

Second by Dr. Clark.

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

Continued Discussion Regarding Possible Restaurant Project:

Mr. Pete Haug, Barnstormer, was recognized and stated he met with one of the NDSU students yesterday and presented some of his ideas to her and she came up with this drawing, copies of which he distributed to board members. He stated he would like to expand the snack bar area considerably and move the actual snack bar counter to the left so its back is against the existing men's room and electrical room. He stated the casual snack area would be separated from the restaurant seating area by a line of booths. He stated some of the pillars in the restaurant are not support pillars so he would like any excess pillars removed. He stated he would also like to see the existing bar taken out and replaced with a horseshoe shaped bar.

Mr. Pawluk stated the thing he likes about this plan is that even if the restaurant and snack bar are closed, the seating in the snack bar area remains open.

Chairman Anderson asked if we are talking about a totally "no smoking" facility.

Mr. Haug stated that is up to the board.

Mr. Pawluk indicated yes, the entire building will be "no smoking."

Gen. Macdonald moved the Airport Authority authorize Foss Associates to prepare plans and specifications for the proposed restaurant remodeling project, based on the drawings presented today.

Second by Mr. Pawluk.

Mr. Pawluk stated he originally felt we should go with more of a "fast food" concept for the entire restaurant, but Mr. Haug has always wanted to maintain some of the full service restaurant as well. He stated this is a major renovation of the restaurant and he likes what has been proposed. He stated he would like us to consider how we will handle an extremely long line at the checkpoint and where it will extend into the restaurant should that become necessary.

Mr. Cowman asked if a budget has been established and also what is the time frame.

Mr. Dobberstein stated the board has budgeted \$400,000 for this project but it should be substantially less than that. He added that it would be nice to start the project this fall but would not want it to run into the holiday travel season.

Chairman Anderson called for a vote on the motion.

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

Received Update on Hangar #2 Construction:

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated they are currently preparing the floor for the epoxy floor finish. He stated there is also some site work outside to begin soon. He stated the interior is painted except for the floor.

Mr. Dobberstein stated there have been some problems with the existing concrete adjacent to the hangar. He stated a lot of that concrete was poured in the late 40's or early 50's and has been crumbling when they have been trying to do a saw cut. He stated they have come up with a method to get a straight edge when the new concrete is poured, but at some point in the future we may apply for funds to replace that concrete.

Mr. Dobberstein stated the goal is to have all of the exterior work on Hangar #2 done before the Airsho.

Mr. Pawluk asked if the hangar can be used during the Airsho.

Mr. Dobberstein stated as long as we have a certificate of occupancy.

Received Bids and Recommendation of Award from Ulteig Engineers, Inc. for Taxiway A Storm Sewer and Drainage Improvements:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we received bids yesterday and there were six bidders. He stated the bids ranged from \$140,000-\$190,000 and the engineer's estimate was \$162,000. He stated they are recommending awarding the project to Rising Sun Construction with a bid of \$139,896. He stated this contractor bid on a few projects for the City of Fargo last week and didn't get any of them so they are looking for work.

Mr. Synhorst stated they did put the plans and specifications together as if it was an FAA project so it meets all of the federal requirements, including DBE contract amount. He stated Mr. Dobberstein talked to Mr. Tom Schauer, FAA Airports District Office, and he feels we can include this in an FAA project next year. He stated we will complete the project this year, bankroll it and get grant funds next year. He stated we would have 100% DBE participation in this project.

Mr. Dobberstein stated this would be handled the same as the Air Museum apron project.

Mr. Pawluk moved the Airport Authority award the Taxiway A Storm Sewer and Drainage Improvements to Rising Sun Construction, based on their bid of \$139,896.

Second by Mr. Kilander.

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

Other Business:

Chairman Anderson asked Mr. Dobberstein for an update on airport security.

Mr. Dobberstein stated last week we were advised that airports our size and smaller had been given the option of using armed private security at the checkpoint in lieu of local law enforcement, which took a tremendous load off our local law enforcement agencies who were trying to come up with a plan to staff the checkpoint. He stated we have contracted with American Security and Protection, which currently handles our traffic security, to extend their contract to include armed guards at the checkpoint. He stated they will be at the checkpoint for 15 hours per day, which is subject to changes in airline schedules. He stated right now our agreement is effective through the end of the month and then on a month to month basis after that, until such time the Federal employees take over the checkpoint.

Adopted Resolution of Appreciation to North Dakota's Congressional Delegation for Their Efforts in Regaining Access to Airport Short Term Parking:

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

WHEREAS, following the events of September 11, 2001, the aviation industry and airports have seen many changes in security and day to day operations, and

WHEREAS, Hector International Airport has more than satisfactorily complied with all security directives and mandates, and

WHEREAS, The process to reinstate vehicle parking within 300 feet of the passenger terminal was long and arduous.

NOW, THEREFORE BE IT RESOLVED, that the Municipal Airport Authority does hereby extend its thanks to the congressional delegation of North Dakota for their assistance in accomplishing the reinstatement of our short term parking lot.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority, and that certified copies of said resolution be forwarded to Senator Byron Dorgan, Senator Kent Conrad, and Congressman Earl Pomeroy.

Second by Mr. Kilander.

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

Other Business:

Mr. Pawluk stated he would like clarification on a matter. He stated at the last meeting the Airport Authority approved the installation of a self-fueling station in the south general aviation area for Fargo Jet Center. He stated he supports the fueling station but does not recall that we discussed where the station would be located.

Mr. Dobberstein stated the self-fueling station would be located right at the Fargo Jet Center fuel farm in the southeast general aviation area. He stated the designated area for self-fueling operations is the area where the existing Fargo Air, Inc. self-fueling station is located. He stated this is where Fargo Aero Tech would need to locate their proposed self-fueling station. The existing Fargo Jet Center fuel farm is an area that would be considered a "grandfathered" area for tanks as well as dispensing.

Mr. Pawluk stated that was not his understanding. He stated he sees a conflict with aircraft refueling in that location for aircraft trying to taxi in that area and also its proximity to that hangar.

Mr. Dobberstein stated that Fargo Aero Tech is still in the process of getting approval from all of the various entities on their proposed self-fueling system.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 11, 2002, and was adjourned to executive session to discuss pending litigation.

Time at adjournment was 8:45 a.m.

Regular Meeting

Tuesday

June 11, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 11, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Clark, Pawluk, Anderson  
Absent: Kilander  
Others: Stewart, Bromenschenkel

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 14, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held May 14, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$46,198.89:

Mr. Pawluk moved to approve the airport vouchers totaling \$46,198.89.  
Second by Dr. Clark.  
On the call of the roll, members Macdonald, Clark, Pawluk and Anderson voted aye.  
Absent and not voting: Kilander.  
The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,190.45 to Modern Electric for payment request for electrical work done in connection with the passenger boarding bridge project.  
Second by Dr. Clark.  
On the call of the roll, members Macdonald, Clark, Pawluk and Anderson voted aye.  
Absent and not voting: Kilander  
The motion was declared carried.

Approved the Individual Voucher to Meinecke-Johnson:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,372.53 to Meinecke-Johnson for payment request for wall modifications in connection with the security roll-up gate project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Northern States Supply:

Gen. Macdonald moved to approve the individual voucher in the amount of \$252.00 to Northern States Supply for construction materials for passenger boarding bridge project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$2,607.52 to Ulteig Engineers, Inc. for payment request for professional services in connection with the Airport Master Plan Update, Project AIP24.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,958.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension, West Perimeter Road, Project AIP25.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$2,789.84 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Taxiway A Drainage Project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$500.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot lighting upgrade project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual voucher to The Forum:

Gen. Macdonald moved to approve the individual voucher in the amount of \$118.26 to The Forum for advertisement for bids for departure lounge remodeling project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to FMC Technologies:

Gen. Macdonald moved to approve the individual voucher in the amount of \$322,707.22 to FMC Technologies for payment request (final) for passenger boarding bridge project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$35,869.30 to Fargo Electric Construction for payment request #2 for parking lot lighting upgrade project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

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 \$228.69 to TL Stroh Architects for payment request for architectural services in connection with the Hangar #2 project.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$66,426.75 to Nodak Contracting for payment request #7 for construction of the NDANG Arm/Disarm Apron.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,395.50 to Nodak Contracting for payment request #3 for construction of FAA Glide Slope Road.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Received 2001 PFC Audit Report:

Mr. Dobberstein stated he distributed copies of the 2001 PFC Audit Report to the board members. He stated the Federal Aviation Administration requires that we have an audit of our PFC account each year. He stated the audit was completed and everything was in order.

Gen. Macdonald extended his congratulations to the staff on their outstanding audit.

The audit report was received and filed without objection.

Received PFC Amendment Approval Notice:

Mr. Dobberstein stated we received a letter from the Federal Aviation Administration approving our amendment to our third PFC. He stated we increased the amount of the collection authority to accommodate the full cost of the snow plow truck we purchased. He stated we had initially planned to recover 10% of the snow plow truck in the PFC but decided rather to collect 100% through the PFC rather than an AIP Project. He stated this increased the amount of the PFC by \$127,081. He stated the collection of that PFC will be complete about mid June or early July. He stated at that point all of the airlines will begin collecting at the \$4.50 level, of which we will receive \$4.42.

Received PFC Amendment Approval Notice: (Continued)

The PFC amendment approval notice was received and filed without objection.

Discussed North General Aviation Area Security Fence/Gate Modification Proposal:

Mr. Dobberstein referred to a memorandum from Darren Anderson dated June 3, 2002. He stated a few weeks ago we discovered a vehicle drove through the vehicle access gate and did considerable damage (\$4,200). He stated fortunately they left their license plate behind so we were able to track down the owner of the vehicle.

Mr. Dobberstein stated ever since that gate has gone into operation we have had a desire to eliminate that gate and fence off the area. He stated Darren Anderson has been working with Fargo Jet Center so they will secure the fuel farm. He stated we would like to apply the insurance money we will receive to the installation of a new fence and we have received a proposal of \$9,588 for that project, leaving a difference of about \$5,300. He stated we would then eliminate that gate, although we would save all of the gate operators should that gate have to be put into operation at some time in the future. Mr. Dobberstein stated that the project will not proceed until the Fargo Jet Center fuel farm is ready to accommodate this change.

Mr. Pawluk moved to authorize the north general aviation area security fence/gate modification proposal as presented.

Second by Dr. Clark.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Report from North Dakota Aeronautics Commission Annual Grant Meeting:

Mr. Dobberstein stated airports in North Dakota can apply for grants from the ND Aeronautics Commission to recover half of our 10% local share of federal projects, as well as up to 50% of other projects that are not federally funded. He stated our request to the State was in the amount of \$329,539, and the State distributed \$549,868 to the state's eight commercial service airports.

Mr. Dobberstein stated the Aeronautics Commission selected our projects that were not eligible for federal funding and awarded us \$115,892. Those projects included the purchase of two mowers, installation of water/sewer in south general aviation area, and removal of powerline obstruction in the south general aviation taxilane.

Mr. Dobberstein stated the ND Aeronautics Commission has changed their philosophy somewhat, and if an airport is able to recover funds for a project through a PFC or other funding then they would not grant funding for those but rather have their dollars go a little further to help airports with projects that do not qualify for other funding.

The communication from the North Dakota Aeronautics Commission dated June 4, 2002, was received and filed without objection.

Received Bids and Recommendation of Award from Foss Associates for Departure Lounge Project:

Mr. Bill Cowman, Foss Associates, was recognized and stated we received bids for the Westside Terminal departure lounge project on June 4, 2002 at 2:00 p.m. He stated there was a good deal of interest in this project. He state the apparent low bidders are as follows:

General	CM of North Dakota, Inc.	\$116,400.00
Mechanical	Sherman, Inc.	\$ 19,925.00
Electrical	Bergstrom Electric	\$ 8,100.00
Total		\$144,425.00

He stated the bids were competitive and within the range of their estimate. He stated today he is looking for a motion to accept the bids and authorization to issue a notice to proceed and then we can hold a preconstruction conference this week.

He stated the time frame for this project is 90 days.

Dr. Clark moved to accept the bids for the Westside Terminal departure lounge project , award the project to the apparent low bidders, and authorize Foss Associates to issue a notice to proceed.

Second by Mr. Pawluk.

Chairman Anderson stated he is not familiar with CM of North Dakota.

Mr. Cowman stated they are a small contractor and he does not have a lot of experience with them, but they have worked with them on the Donaldson Hotel project and everything has been satisfactory so far.

Mr. Pawluk asked Mr. Cowman to make sure that the mirrors are adequate for people of all heights. He stated that we ran into that problem with the recent restroom remodeling project.

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

Absent and not voting: Kilander

The motion was declared carried.

Mr. Cowman stated he had a brief update on the security roll-up gate project. He stated Cook Sign is waiting for the completion of the corner guards at the checkpoint and they should be done this week.

Approved Change Order #1 to Fargo Electric Construction for Parking Lot Lighting Upgrade Project:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated this Change Order in the amount of \$1,750.00 contains two items:

1. Added one extra pull box to the existing home run for the north circuit - \$450.00
2. Replaced the ballast in all 30 luminaires to match existing voltage - \$1,300.00

Mr. Synhorst stated when they designed the project and worked off the "as built" drawings they designed the ballasts and fixtures for 480 volts and when they got out there they discovered

Approved Change Order #1 to Fargo Electric Construction for Parking Lot Lighting Upgrade Project: (Continued)

they operated at 240 volt. He stated they looked at two different options, trenching in new circuitry and the other option was to replace and restock the ballasts and the second was the cheapest alternative.

Mr. Synhorst stated on the second item, part of the project was to install a new conductor to wire the lights and when they pulled out the old conductor there was a run of about 750 feet , which is quite a long run without a pull box, so they installed a pull box which will make any future maintenance easier.

Dr. Clark moved to approve Changer Order #1 in the amount of \$1,750.00 to the parking lot lighting upgrade project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved Contract with Rising Sun Construction for Taxiway A Drainage Project:

Mr. Dobberstein stated Attorney Stewart has reviewed the contract between the Municipal Airport Authority and Rising Sun Construction for the Taxiway A Drainage Project and has indicated everything is in order.

Mr. Pawluk moved to approve the contract with Rising Sun Construction for the Taxiway A Drainage Project.

Second by Gen. Macdonald.

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

Considered Request from Lamb Car Rental Regarding Ground Lease for South General Aviation Area:

Mr. Dobberstein stated the members have been provided with copies of a letter from Mr. Maurice Lamb, National Car Rental, requesting a five year ground lease for his existing car rental service facility in the south general aviation area. He stated the four agencies are nearing the occupancy of the new AutoBAHN facility west of the terminal. He stated during the discussion with the owners about the new facility, the matter of the existing facilities (Hertz, Avis, National) was also discussed and their plans for those facilities. He stated it is still our understanding that Hertz will demolish their building as soon as they occupy the new facility. He stated Mr. Bernie Ness (Avis) will come before the board with a request similar to Mr. Lamb's.

Mr. Dobberstein stated Mr. Lamb also has an underground fuel tank and he does have the intention of removing that tank sometime in the near future. He stated if that is the case, then the ground rental on the tank area would go away. He stated the tank currently meets all of the guidelines and testing requirements.

Mr. Dobberstein stated the building is going to be used for storage and for some of the vehicle maintenance. He stated he would request concurrence of the five year ground lease, however, he is not sure about the five year extension option. He stated the lease will contain all of the standard clauses.

Considered Request from Lamb Car Rental Regarding Ground Lease for South General Aviation Area: (Continued)

Mr. Pawluk moved the Airport Authority approve the ground lease as requested by Mr. Lamb.

Second by Dr. Clark.

Chairman Anderson asked if there are any aesthetic issues with this building.

Mr. Dobberstein stated Mr. Lamb does a great job keeping up his building.

Discussed Eastside Terminal Security Project for FAA Flight Standards District Office:

Mr. Dobberstein stated we received a letter dated June 4, 2002, from Mr. Fred Clark, Acting Manager of the FAA/FSDO office in Fargo, regarding secured access to their office. He stated Darren Anderson has been working with Mr. Clark on this matter, which has been an ongoing thing for the past few years. He stated they have a need to restrict access to the general public to their second floor offices in the Eastside Terminal. He stated the FAA will be funding and taking care of this project on their own. They have also worked with the City on building and fire codes.

Mr. Dobberstein added that there would be no impact on the first floor.

Authorized Purchase of FLIR Camera for NDANG/ARFF:

Mr. Dobberstein stated this camera is a forward looking infrared device which is included in one of our PFC applications and we are authorized to collect the funds. He stated the NDANG has recently purchased two new fire trucks at a cost of approximately \$1 million, and as our participation in this project we agreed to purchase two of these cameras totaling \$15,156, and we will recover 100% of this through a PFC.

Gen. Macdonald stated he feels it is important for the airlines to be aware of the money the guard has spent on fire equipment used for aircraft rescue and fire fighting.

Gen. Macdonald moved to approve the purchase of two FLIR cameras for the NDANG/ARFF for a cost of \$15,156.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Continued Discussion on North General Aviation Area Leases:

Gen. Macdonald stated he has a proposal to place before the board today, not to be acted on today but for consideration over the next two weeks.

Gen. Macdonald stated he proposes the following:

- that the development agreement with JP Development remain the same
- that the term of the lease remain the same
- that JP Development be given an unlimited option to purchase the hangars at the present unamortized cost (\$1,426,409)
- a supplemental agreement be entered into for both hangars making the lease payment for both hangars \$5,943.37
- ground rental would remain the same, 10 cents per square foot

Continued Discussion on North General Aviation Area Leases: (Continued)

Gen. Macdonald stated that lease payment equates to no amortization of principal and it equates to a percentage of 5%.

Gen. Macdonald stated, in addition, the present unfunded costs of the parking lot and the sewer and water (approximately \$101,234.97) are presently at 7%, and those would remain at 7% but would be amortized over a five-year period, which would be \$2,004.57 per month.

Gen. Macdonald stated the lease payment on the hangars, the amortization of utilities, and the monthly ground rental would equate to a monthly payment of just over \$8,000.

Gen. Macdonald stated there is a paragraph in the "Special Conditions" in the present lease which he would modify to some extent. He stated Attorney Stewart would draft the appropriate wording, but essentially "the lease shall be in default if payments are not made and if the lessee does not provide 24 hour FBO service including fueling, flight planning, facilities, weather availability by phone or computer, telephone access, restroom facilities, and such amenities as may be necessary for a 24 hour operation." He stated he does not think we want to allow the airport to go back the days when there was no one around for eight to twelve hours a day.

Gen. Macdonald stated this is what he is proposing and he would like the members to consider this for action to be taken at the next meeting.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated that sounds fine to him.

Gen. Macdonald stated that Mr. Sweeney has not seen all of this proposal prior to this.

Mr. Pawluk stated if Fargo Jet Center is in a cash flow shortage, why would we want to accelerate their payment on this rather than leave it as is.

Gen. Macdonald stated this is just his proposal and he is not sure Mr. Sweeney will agree to some of the changes he has made since he talked to him.

Mr. Pawluk asked if the board members could have a written copy of this proposal.

Gen. Macdonald indicated he would get together with Attorney Stewart and outline the proposal and get it to the board members within the next few days.

Mr. Pawluk asked why it is we want to change the leases.

Gen. Macdonald stated the changes would more accurately reflect lease costs in some respects and it changes because of the acquisition of Aviation Resources. He stated this would get the cash flow down to where it is an edible lump.

Chairman Anderson asked Mr. Pawluk for his comments.

Gen. Macdonald stated he does not feel it would be productive to have discussion at this time until the members have had time to review the proposal.

Chairman Anderson stated it is on the agenda to be discussed so we will discuss it.

Mr. Pawluk stated the monthly lease payments, which are currently \$12,335.87, goes back into the airport's capital improvement fund, and that fund is funded in part by the two mills that the airport receives from the citizens of Fargo. He stated one area he has a problem with is taking tax payer dollars and turning them over to a private business on the field that has been operating for some time on an agreement that was mutual.

Dr. Clark stated in her consideration of this matter, she stated one of the things that stands out for her is that there is a real service provided and there is a facility open 24 hours a day. She stated she realizes the restaurant operation is small potatoes in comparison to the Fargo Jet Center but we do subsidize the restaurant.

Continued Discussion on North General Aviation Area Leases: (Continued)

Mr. Dobberstein stated our agreement with the restaurant provides that the Airport Authority breaks even on the restaurant lease.

Dr. Clark stated this is a valuable service and the money would eventually be put back, but it would just take a little longer. She stated with that in mind, she would support giving them a chance to enhance some of those services with a few extra dollars.

Mr. Pawluk asked if those services would be enhanced.

Dr. Clark stated Mr. Sweeney would have that answer but it is her understanding that they would be.

Chairman Anderson stated his basic problem is a business issue. He stated we have a private business that took on additional debt on their own volition, and after the fact comes back to the Airport Authority to help them pay for that, and he does not think that is right. He stated he feels this would just open the board up to requests from other businesses on the airport for similar reductions. He asked if Mr. Sweeney has pursued a MIDA bond with the City of Fargo.

Mr. Sweeney stated he has not looked into it specifically but there was some trigger that did not allow them to do that.

Gen. Macdonald stated if Fargo Jet Center paid us everything they owe us today, we would start losing money over what they are paying us because the interest rate at which we could invest those funds would be lower than what they are paying us. He stated technically we would not be subsidizing them because they will pay us back everything they owe us at an interest rate that is higher than we could get. He stated the only thing we are doing is deferring interest payments, which we would be doing anyway. He stated he does not think we are "giving" them anything. He stated that is part of doing business. He stated we do not want them to declare bankruptcy and walk out of those hangars and he would hate to be part of an Airport Authority putting those hangars up for sale in a fire sale. He stated we do get a two mill tax levy and in the past he made a motion to eliminate those mills and he was voted down. He stated he does not see all of the opposing points. He stated he would agree that we would be making it a little easier on them but he would agree with Dr. Clark that we need to maintain the quality of service at Hector Airport that we have now.

Dr. Clark stated all of the businesses we have leases with are important, but she sees them as different. She stated not all of the businesses on the airport provide 24-hour service to the public.

Chairman Anderson stated he may tend to look at this differently as he is in the lease business so he compares it to those leases.

Mr. Pawluk stated he does not know that the Airport Authority has received anything from Fargo Jet Center showing us that there is a financial need and he is not sure we are in a position to make that evaluation. He stated we have some thought as far as Fargo Jet Center operations, but there are two business up there that are co-located and co-mingled, and on what basis do we make the decision to give them \$72,000 a year after six years of operation. He stated what it really means is that we will always own that building as there is no incentive for the lessee to purchase the building, contrary to the original intent of the lessee to purchase the building.

Other Business:

Gen. Macdonald stated he and Mayor Furness received a letter from Mr. Chip Barclay, President of the American Association of Airport Executives (AAAE) dated June 6, 2002, regarding industry standard methods for evaluating compensation levels of airport executives. His letter indicated that most air carrier airports make use of passenger enplanement data as the source of comparison.

Mr. Dobberstein stated he was advised by Mr. Jim Sweeney that they have an opportunity to enter into a sublease with a cargo operator (Clint Lowe, Lyle Andvik) for the occupancy of Hangar #9, which is the brown cargo hangar. He stated Fargo Jet Center is currently paying us \$1,000 a month for the lease of that hangar and the lease expires October 31, 2002. He stated the present lease requires the Airport Authority's approval of any sublease. He stated the lease also requires them to accommodate the seasonal operations of UPS. He stated it is his understanding that will continue, provided the lease is extended beyond October 31.

Mr. Jim Sweeney stated he would like today is approval of the sublease from the Airport Authority, subject to approval of the documents by Attorney Stewart.

Mr. Dobberstein stated this particular cargo operation has been operating through Fargo Jet Center for a few months but they have been leasing space from Mr. Bill Wiemann.

Chairman Anderson stated this item was not on the agenda so he called for a motion to suspend the rules to vote on this item.

Mr. Pawluk moved to suspend the rules and accommodate the request for a vote on this matter.

Second by Dr. Clark.

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

Gen. Macdonald moved the Airport Authority approve the request by Fargo Jet Center to sublease space in the cargo hangar (#9) to Dakota Airlift, Inc., subject to final approval of documents by Attorney Stewart.

Second by Dr. Clark.

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

Adopted Resolution of Appreciation to Retiring City Commissioner Gib Bromenschenkel:

WHEREAS, Mr. Gib Bromenschenkel, the longest serving member on the Board of City Commissioners of the City of Fargo, will complete his service on the commission effective June 24, 2002, and

WHEREAS, Mr. Gib Bromenschenkel has served as the City's liaison commissioner to the Municipal Airport Authority, and

WHEREAS, The Municipal Airport Authority has enjoyed a long relationship with Mr. Bromenschenkel, not only in his capacity as City Commissioner, but also as his long time service with North Central Airlines, Republic Airlines and Northwest Airlines.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority does hereby thank Mr. Gib Bromenschenkel for his many years of service and does hereby congratulate him on his unprecedented service to the citizens of Fargo, and does wish he and Doris and their family the best for many years of retirement.

Adopted Resolution of Appreciation to Retiring City Commissioner Gib Bromenschenkel:  
(Continued)

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. Gib Bromenschenkel.

Second by Mr. Pawluk.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 25, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:09 a.m.

Regular Meeting

Tuesday

June 25, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 25, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Pawluk, Anderson

Absent: Clark

Others: Stewart

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 11, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held June 11, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$24,885.80:

Mr. Pawluk moved to approve the airport vouchers totaling \$24,885.80.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$391.79 to Foss Associates for payment request for architectural services in connection with the passenger boarding bridge project.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,920.83 to Foss Associates for payment request for architectural services in connection with the Westside Terminal Departure Lounge Project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$12,237.37 to Flint Communications for partial payment request for 2002 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction;

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,250.00 to Fargo Electric Construction for payment request (final) for parking lot lighting upgrade project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Border States Paving:

Gen. Macdonald moved to approve the individual voucher in the amount of \$119,436.36 to Border States Paving for payment request #9 for Payment Request #9 for construction of parking lot expansion projection.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Continued Discussion Regarding Fargo Jet Center Request to Sublease Hangar #9 for Cargo Operation:

Mr. Dobberstein this item was discussed under "Other Business" at the last meeting so he wanted it to appear on this agenda. He stated he does not see anyone here today representing Fargo Jet Center.

Continued Discussion Regarding Fargo Jet Center Request to Sublease Hangar #9 for Cargo Operation: (Continued)

Mr. Dobberstein stated he did meet with Lyle Andvik, who is a partner in Dakota Airlift, the cargo operator looking to sublease the hangar. He stated Mr. Andvik and Mr. Clint Lowe are in the process of obtaining their FAA certificates to haul cargo. He stated they are negotiating with Fargo Jet Center on the lease of the cargo hangar.

Mr. Dobberstein stated the Airport Authority did approve the request to sublease the hangar at the last meeting, but we have not yet received a copy of the sublease yet to review.

Received Update on Hangar #2 Project:

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated they are presently preparing the outside of the building so they can begin staining the exterior. He stated the other item left is the concrete work in front of the building. He stated those are the only two items left.

Mr. Pawluk stated he would like to see a dedication plaque for that hangar, as well as the other two recently built hangars, similar to the plaque dedicating this terminal.

Chairman Anderson asked what would go on the dedication plaque.

Mr. Pawluk stated the dedication plaque for the terminal is more formal and expensive than we need for the hangars, but he thinks we should list all of the people involved, the Airport Authority members, and the date. He stated he feels we should do that for any structure built on the airport..

Chairman Anderson asked for any other comments.

There were none.

Considered Agreement with Foss Associates:

Mr. Dobberstein stated a few meetings ago the Airport Authority directed he and Mr. Bill Cowman, Foss Associates, to draft an agreement between the Airport Authority and Foss Associates for their services as an "on call" architect for items in the Westside Terminal that arise from time to time. He stated Attorney Stewart has reviewed the AIA document and he indicated it was in order. He stated he also provided the board members with an hourly schedule. He stated he has not yet had a chance to compare the figures with other architectural fees.

Chairman Anderson stated he feels it is in order to compare the fees with competitors.

Mr. Dobberstein stated this agreement is ready for signature upon approval by the board.

Mr. Kilander moved to approve the architectural services agreement between the Municipal Airport Authority and Foss Associates, subject to review of the figures.

Second by Gen. Macdonald.

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

Received Update from Fargo Aero Tech Regarding Proposed Fuel Operation:

Mr. Dobberstein requested this item be delayed as no representative from Fargo Aero Tech was present.

Item was later tabled.

Certified Mill Levy to the Board of City Commissioners for 2003 Improvements, As Per Section 2-06-14 of the North Dakota Century Code:

Mr. Dobberstein stated the North Dakota state statute allows the Airport Authority to levy four mills. He stated we are currently at two mills, which generate approximately \$350,000, and he would recommend two mills for 2003.

Gen. Macdonald moved to certify a two-mill levy to the Board of City Commissioners for 2003 airport improvements, as per Section 2-06-14 of the North Dakota Century Code.

Second by Mr. Kilander.

Mr. Dobberstein stated will have to review this level next year after we have more information on special assessments for North University Drive and County 20.

Mr. Pawluk stated if we did not have these special assessments coming up he would recommend going to zero mills.

Gen. Macdonald stated he feels it is important for us to not fluctuate the mill levy too much.

Chairman Anderson called for a vote on the motion.

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

Reviewed Proposed 2003 Budget:

Mr. Dobberstein stated we are well into the budget process for 2003. He stated we provide copies of our budget to the City of Fargo Finance Office and they include it in the overall City budget, even though the approval process is independent of the City.

Mr. Dobberstein reviewed the proposed budget and some of the proposed changes over 2002. He stated some of the items included in the capital outlay portion are: patio area between the terminal and the parking lot, furniture for the boardroom, window replacement in the Eastside Terminal, replacement of floor tile on the first floor in the Eastside Terminal.

Mr. Dobberstein reviewed the proposed 2003 Improvement Fund Budget and PFC Funds.

It was the consensus of the board members to vote on approval at the next meeting so the members have adequate time to review the budget.

Received Communication from Fargo Aero Tech, Inc.:

The communication dated June 17, 2002, from David Lundeen and Emory Babolian, Fargo Aero Tech, was received and filed without objection.

This communication indicated their opposition to any change in lease terms with Fargo Jet Center.

Other Business:

There was discussion on the Runway 17/35 Reconstruction Project and the engineering plans. Mr. Dobberstein indicated we will soon be advertising a request for proposals from engineering firms for the next three to five year term, and we will then interview firms sometime in August.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 9, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:41 a.m.

Regular Meeting

Tuesday

July 9, 2002

The regular meeting of the Municipal Airport Authority was held Tuesday, July 9, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Anderson

Absent: Pawluk

Others: Stewart

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held Tuesday, June 25, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, June 25, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$22,332.54;

Mr. Kilander moved to approve the airport vouchers totaling \$22,332.54.

Second by Dr. Clark.

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

Absent and not voting: 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 \$9,907.37 to Flint Communications for partial payment request for 2002 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Regular Meeting Held July 9, 2002

Approved the Individual Voucher to Bergstrom Electric:

Dr. Clark moved to approve the individual voucher in the amount of \$270.00 to Bergstrom Electric for partial payment request #1 for electrical portion of the Westside Terminal Departure Lounge Project.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Dr. Clark moved to approve the individual voucher in the amount of \$777.50 to Hanson Design Associates for tree replacement program.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Dr. Clark moved to approve the individual voucher in the amount of \$260.00 to Hanson Design Associates for payment request for shelterbelt transplanting project.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved 2003 Budget:

Mr. Dobberstein stated the board discussed the 2003 budget at the last meeting and he has not received any requests for changes since then.

Mr. Kilander moved to approve the 2003 budget.

Second by Gen. Macdonald.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received Update from Fargo Aero Tech Regarding Proposed Fuel Operation:

Mr. Dobberstein stated Mr. Emory Babolian dropped off this information yesterday, as he was not able to be here today. He stated the letter indicates that this information has been provided by Ulteig Engineers, Inc.

Mr. Dobberstein pointed out the location in the south general aviation area designated for self-fueling operations. He stated we have reviewed this proposal before. He stated the avgas and jet fuel tanks are totally self-contained.

Mr. Dwight Carpenter, Fargo Aero Tech, now present.

Received Update from Fargo Aero Tech Regarding Proposed Fuel Operation: (Continued)

Mr. Dobberstein stated their FBO lease already allows them the authorization to provide fuel to aircraft.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they have just been helping Fargo Aero Tech with providing drawings as they request. He stated the only thing he has done as far as design was calculating the size of the containment area for the tank capacity.

Mr. Dobberstein stated all of this is in order with what has been previously discussed.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated it was their understanding that the North Fuel Farm would be the location for any fuel facility development. He stated seven years ago the Airport Authority built the loop road to serve future fuel development. He stated he does not know of an airport of this size anywhere in the country that is expanding two fuel locations on the field. He stated it only makes sense that one fuel farm location would be housed on a field like this.

Mr. Dobberstein stated the fuel farm on the north end of the airport is to serve the businesses in the north general aviation area. He stated if Fargo Aero Tech were required to put their fuel facility on the north end of the airport they might as well not put it in. He stated the Airport Authority offered to loan Valley Aviation up to \$80,000, just as we did with Fargo Jet Center, to move their fuel farm to the north end of the airport but they declined.

In answer to a question from Mr. Dobberstein, Mr. Carpenter stated their fuel trucks and tanks should be here later in July.

Authorized Attendance at the 34<sup>th</sup> Annual Great Lakes Chapter AAE Conference, August 15-18, Rapid City, SD:

Gen. Macdonald moved to authorize attendance at the 34<sup>th</sup> Annual Great Lakes Chapter AAE Conference, August 15-18, 2002, Rapid City, SD.

Second by Dr. Clark.

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

Hangar Continued Discussion Regarding North General Aviation Area Lease:

Gen. Macdonald stated he had promised the board members a written explanation of his proposal for the JP Development (Fargo Jet Center/Weather Modification) leases. He stated he did not get this to the board members prior to this as he knew Mr. Pawluk would be absent and that the board would not be taking any action on the matter until the full board is present.

Gen. Macdonald reviewed the details of his proposal.

Dr. Clark asked if it has been determined that we have no other lease with which to compare this.

Mr. Dobberstein stated as far as hangar space we do not have anything else to compare with.

Mr. Kilander stated if Fargo Jet Center were another type of business and did not have to be located at the airport, they would have an opportunity to move from one location to another.

Dr. Clark asked the reason for this request and what she should tell people who ask her about the matter.

Gen. Macdonald stated he would ask them if they have ever refinanced their house. He stated he feels that would be the most reasonable comparison.

Hangar Continued Discussion Regarding North General Aviation Area Lease: (Continued)

Mr. Jim Sweeney stated if you look at how much hangar space they are renting today, they have thousands of square feet that are going unused yet on which they are paying rent. He stated another consideration is that in addition to the rent paid to the Airport Authority for the hangars, they also generate other income based on their revenue and fuel sales.

Mr. Kilander stated to answer Dr. Clark's question, he would say that the original lease was structured at a point in time when the rates were 75-80% higher than they are now. He stated that is even secondary to the way the lease was structured at that time. He stated the lease was structured so that we required them to pay for the building during the term of the lease and again at the end of the lease term if the building was not purchased during the lease term. He stated he feels the fair way would be to charge them the cost of money through the lease. He stated to say that we are cutting the rent in half is a misnomer because that is only part of the story. He stated the other part is that the rent payment is predicated on the Authority's cost of money.

Chairman Anderson stated his personal opinion has been documented several times and it has not changed.

Mr. Kilander stated he does not think there has been a written report presented from the subcommittee comprised of he and Mr. Pawluk. He stated during the one meeting they had, at which both Jim and Pat Sweeney were present, he thought that he and Mr. Pawluk had found some common ground. He stated he believes Mr. Pawluk stated that he would have no problem at all keeping everything as it is now and would agree that the building was paid off at the end of the lease term and the title would then be turned over to them.

Dr. Clark stated the original discussions were with WMI and then came JP Development and Fargo Jet Center after that. She stated if you are looking at assets then it would be like her putting her assets in with the rest of her family, and that seems to be what happened here. She stated that would be like one family member going out and entering into an agreement but then coming back and saying I want to change the terms because I can't afford this by myself. She asked if that is what is happening. She asked if part of the situation was that JP Development no longer wants to be responsible for this and wants Fargo Jet Center to be responsible.

Mr. Jim Sweeney stated that JP Development is a partnership that holds all of their real estate. JP Development then has leases with both WMI and Fargo Jet Center, of which Fargo Jet Center has a majority of the property. He added that nothing would change.

Chairman Anderson stated the original agreement was put together for economic development and now it seems that we are getting into the business and he does not think we should do that. He stated according to Gen. Macdonald's proposal we are looking at a return of 4.81% over 20 years, and he does not know a landlord in the state that would lease property for that rate. He stated they made a personal decision to incur additional debt and now they are asking us to help them with that. He stated he does not think we should be involved in that.

Mr. Jim Sweeney stated at the inception the Airport Authority put up funds to develop the airport. He stated the Authority's return on that investment has been far greater than 4% over the past seven years. He stated they are asking to continue the airport's return on that money. He stated he feels it is definitely appropriate for the Airport Authority to be investing its money on the airport in things that will provide a return and grow this airport in Fargo. He stated he cannot imagine that you can compare this to a lease anywhere else in the city because it is a single use facility that provides 24 hour service to the general public in the private sector by the private sector. Mr. Sweeney added that he does not know why the board would not address this matter today.

Mr. Kilander stated he would rather have a full board present.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 23, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:49 a.m.

Regular Meeting

Tuesday

July 23, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 23, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent : None  
Others: Stewart, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 9, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held July 9, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$18,943.33;

Mr. Kilander moved to approve the airport vouchers totaling \$18,943.33.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$3,228.00 to Ulteig Engineers, Inc. for payment request for professional services in connection with the Airport Master Plan Update, Project AIP 24.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$2,555.13 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Extension of Runway 8/26 and Taxiway C, and West Perimeter Road, Project AIP25.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$3,149.42 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Taxiway A Storm Sewer Project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,850.60 to Ulteig Engineers, Inc. for engineering services in connection with the parking lot improvement project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$830.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the FAA Glide Slope Road (FAA will reimburse.)

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$423.90 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the airport parking lot lighting project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$1,329.89 to Foss Associates for payment request for architectural services in connection with the Westside Terminal Departure Lounge Project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Cook Sign:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,942.00 to Cook Sign for payment request for work in connection with the security roll-up door project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$1,581.51 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Rising Sun Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$84,086.00 to Rising Sun Construction for Payment Request #1 for construction of Taxiway A Drainage Project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$74,471.91 to Nodak Contracting for Payment Request #10 for construction of runway 8/26 and Taxiway C Extension, and West Perimeter Road, Project AIP25.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,830.00 to Nodak Contracting for Payment Request #7 for construction of runway 8/26 Safety Area, Project APFC01.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$289,035.80 to Nodak Contracting for Payment Request #8 for construction of NDANG Arm/Disarm Apron (will be reimbursed by NDANG).

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,256.00 to Nodak Contracting for Payment Request #4 for FAA Glideslope Road (will be reimbursed by FAA).

Second by Dr. Clark.

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

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

Received Second Quarter 2002 PFC Report:

Mr. Dobberstein distributed the second quarter 2002 PFC Report and it was received and filed without objection.

Approved the Purchase of Painting/Striping Equipment:

Mr. Dobberstein stated the airfield maintenance staff has indicated the need for new painting/striping equipment. He stated our staff does a lot of painting and striping on the airfield as well as other areas around the airport. He stated Henry Swedberg, Airfield Maintenance Supervisor, received a proposal from Diamond Vogel Paints dated December 14, 2001, for a Graco Line-Lazer with options for a total of \$9,524.13. He stated this unit would greatly reduce the amount of time required to do the painting. He added that it is possible that we could get 50% funding from the State for this unit.

Mr. Pawluk moved to approve the purchase of the Graco Line-Lazer, Model 3900 with options shown for a total of \$9,524.13.

Second by Gen. Macdonald.

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

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

Reviewed Proposed Airport Surveillance Radar (ASR11) Site Selection:

Mr. Dobberstein stated he and Mr. Darren Anderson have been working with Raytheon, which is the company with which the FAA has contracted to find a site for the new Airport Surveillance Radar. He stated the radar is currently located directly east of the terminal along the extension of the cemetery road. He stated they are proposing to upgrade the equipment during 2004. He stated Mr. Jim Swenberger and Mr. Scott Jacobs, FAA, are present to answer any questions.

Mr. Dobberstein stated Raytheon was hired to identify a number of sites around the airport that would provide the best coverage in terms of radar surveillance, etc. He stated those sites had been identified and after a number of meetings and teleconferences they have selected a preferred site, which is directly south of the Northwest Airlines fuel farm (Site #5 on map).

Mr. Dobberstein stated we have voiced concern about this location, as has our Master Plan consultant. He stated he thinks we need a little more reassurance from the FAA that it will not hinder development in that area. He stated this is the area that NDSU has indicated interest in for expansion of the Tech Park. He stated there is a team coming here on August 27 to start the legal description process.

Gen. Macdonald asked what was wrong with Site #7.

Mr. Scott Jacobs, FAA, indicated NDSU would not give access to that land and there was a problem with the radar coverage in that location as well.

Mr. Pawluk asked what was wrong with the existing site.

Mr. Swenberger stated if the new radar was located in the same vicinity as the existing site we would lose all radar capabilities during the construction period and service would be reduced.

The ASR-11 System is a nondevelopmental item, unattended airport surveillance radar which is a replacement for the existing radar for terminal air traffic control at FAA airfields in the US. The ASR-11 will improve reliability and reduce support costs, improve aircraft detection in clutter, provide National Weather service calibrated six-level weather, and interface with new digital automation systems.

Mr. Pawluk asked if the Airport Authority would have the opportunity to negotiate the conditions that would allow approval of construction in the area as part of the agreement rather

Reviewed Proposed Airport Surveillance Radar (ASR11) Site Selection: (Continued)

than giving the FAA the lease on the radar site and then having to go seek a waiver at some time in the future in order to build in the 1500 foot radius.

Mr. Swenberger stated he does not know what the FAA would be willing to negotiate, but they have indicated that they are unwilling to give blanket approval for a building of an undescribed size and shape today, for what may be built six years from now. He stated they have continually stated they would be willing to work with the airport on future construction.

Gen. Macdonald suggested that Mr. Dobberstein check with Stockton, CA, and see what experience they have had with the FAA as far as building near the radar site.

Mr. Pawluk stated we are not necessarily looking for a blanket waiver but rather include the conditions of the waiver as part of the agreement. He stated we are reluctant to give up that presently vacant farmland for obvious reasons. He stated we all have the same objective and all want to accomplish the same thing.

Mr. Dobberstein indicated the lease people will be here on August 27 to negotiate a lease.

Receive Communication from Enterprise Rent a Car:

Mr. Dobberstein stated we received a letter dated July 17, 2002, from Mr. Scott Bothfeld, General Manager for the Dakotas and Nebraska for Enterprise Rent a Car. The letter indicates they are interested in expanding their presence at the Fargo Airport. He stated because of the six month waiting period Mr. Bothfeld wanted to address the board at today's meeting.

Mr. Dobberstein stated the current operators at the airport are Avis, Budget, Hertz, National, and their current concession agreements have been extended to coincide with the ground rental term for the Auto-BAHN facility west of the terminal. He stated the current agreements require that the existing owners be given six months notice if another agency is allowed to start operation at the airport. He stated the airport did have five agencies back in the late 80's to early 90's when Thrifty was at the airport. He stated the Airport Authority constructed an office and counter space on the west end of the building near baggage claim, which is now leased to Northwest Airlines for their baggage service office. He stated if the board gave consideration today to the Enterprise request he is not sure where they would set up counter space or how the existing four owners would divide up the ready lot and overflow lot to accommodate the vehicles. He stated Enterprise would need to negotiate with Northwest Airlines to see if they would give up that space. He stated any other option would require that we add on to the building and he is not certain that is feasible.

Mr. Dobberstein stated the Airport Authority spent about \$42,000 to accommodate the Thrifty operation and they left because there was not enough business for five operations.

Mr. Scott Bothfeld was recognized and thanked the board members for hearing their request. He stated Enterprise is a privately held company, which was started in 1963 as a replacement rental car business. He stated today they have the most locations of any car rental company in the United States and the most units on the road. He stated their focus is more toward the vacation traveler rather than business travelers. He stated they are ready to move and they have a manager that is prepared to take on this responsibility.

Mr. Bothfeld stated his ultimate request is to work out the operational issues and field any questions the board may have today.

Receive Communication from Enterprise Rent a Car: (Continued)

Chairman Anderson asked Mr. Bothfeld if he has had any discussions with Northwest.

Mr. Bothfeld indicated he has not.

Mr. Pawluk asked where Enterprise is proposing to locate.

Mr. Bothfeld stated he has been working with Mr. Dobberstein and they are fairly flexible. He stated if he does not get the square footage the other companies have he understands, but the visibility is important to them. He asked if there would be an opportunity at some time in the future to shift locations based on revenue generated.

Mr. Dobberstein stated the locations would not change.

Mr. Dobberstein stated before the Airport Authority can approve the request and then provide the other operators with the required six-month notice, Enterprise must meet the terms and requirements. He stated there are representatives here today from both Hertz and National. He stated Hertz brought to his attention that one of the clauses that Enterprise does not meet is providing one-way rentals to and from Canada.

Mr. Bothfeld stated as the General Manager for the area that is up to his discretion and they would have the ability to provide that service.

Mr. Dobberstein stated he does not know that he is prepared today to recommend that the six-month clock starts. He stated he has not had a chance to speak to all of the owners.

Mr. Kilander asked at what point we do start the clock.

Attorney Stewart stated we do have to get the physical details worked out first.

Mr. Dobberstein stated without investing in additional construction or if Northwest does not give up their baggage service office we don't have any space.

Mr. Pawluk stated he would suggest that Enterprise come to the board with a suggestion on how to resolve the space needs for their office space and also the service space that will be needed. He stated that would be the basis on which the board could make its decision. He stated for us to give the other agencies notice today would be premature since there are so many details that need to be worked out.

Mr. Bothfeld stated he would like to move as quickly as possible. He asked if the six-month notice could be issued with the provision that all of the operational details have been worked out.

Gen. Macdonald suggested that we send a registered letter to the other four principals advising them that it is our intent to address the six-month issue at the next meeting.

Gen. Macdonald stated if we give approval at the next meeting to Enterprise then business decisions will be made by the other car rental agencies. He suggested we require some type of bond from Enterprise should they change their mind during the six month period and decide not to locate at the airport. He stated that could have adverse consequences on the other four due to the business decisions they had to make.

Mr. Steve Hanson, owner of Hertz, was recognized and stated he just received notice of this and cleared his schedule so he could be here this morning. He stated in order to accept Enterprise the Airport Authority would have to bend the requirements of the current agreement. He stated specifically he is referring to Part 4B of the agreement which requires agencies to allow rentals to be picked up and dropped off at other locations, including Canada. He stated Enterprise does not do that. He stated Enterprise wants the local rental business which is by far the least costly and by far the most preferred, so they don't provide Part 4B.

Receive Communication from Enterprise Rent a Car: (Continued)

Mr. Bothfeld stated as General Manager it is his decision whether or not to provide that service and if it is a provision of the contract they will provide the service. He added that he does not know of another airport that has that requirement, but he is flexible enough that he can provide that.

Mr. Kilander stated there is not a member of the Authority that wants to abrogate the contracts we have in place now. He stated anyone else coming in has to meet the same standards. He stated if Enterprise is not able to meet those standards then there is obvious no way they can locate on the airport. He stated at this point, rather than continuing the dialogue, we should direct Enterprise to put together their proposal and at that point if it meets all of the requirements then we move on to the next step.

Continue Discussion Regarding Possible Restaurant Remodeling Project:

Mr. Dobberstein stated that Foss Associates plans to be at the first meeting in August to present some different concepts and designs. He stated that Mr. Pete Haug, Barnstormer, intends to meet with Mr. Pawluk and Dr. Clark as well as Foss Associates before the next meeting to review the proposed concepts.

Received Airport Construction Update:

Mr. Steve Synhorst, Ulteig Engineers, Inc., was recognized and stated the glide slope road project has been completed. He stated the NDANG Arm/Disarm aprons were finished last week. He stated he just prepared a punchlist and sent it to Nodak for the entire project.

Mr. Synhorst stated the parking lot project is pretty much complete except for removal of the dirt piles, which are moving slowly but surely. He stated the lighting project is also done.

Mr. Synhorst stated the Airport Master Plan has been finished and forwarded to the FAA for their review.

Mr. Dobberstein stated the advertisement for engineering services appeared in the paper the first time yesterday and will run a total of twice. He added that interviews will be held sometime in August.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Hangar #2 is pretty much complete except for some final concrete pouring.

Continued Discussion Regarding North General Aviation Hangar Leases:

Gen. Macdonald distributed copies of his latest proposal for the JP Development leases for the north general aviation hangars. (Copy of proposal will be included in minute records).

Gen. Macdonald stated in reviewing the minutes regarding the original agreements, it was apparent that the Airport Authority desired to have two different types of agreements for WMI and Aviation Resources, Ltd. However, because of the legal difficulties they came up with the final agreement. He stated the agreement was definitely thought out at the time but he doesn't think anyone ever carried it to end to see what was actually happening in the end. He stated he proposed that we amend the agreement and enter into a new agreement with the conditions as shown.

Continued Discussion Regarding North General Aviation Hangar Leases: (Continued)

Gen. Macdonald moved to enter into a new lease agreement with JP Development for the north general aviation hangars based on his proposal as presented today.

Second by Mr. Kilander.

Mr. Pawluk asked what problem we are trying to remedy by amending the agreement.

Gen. Macdonald stated he feels we are charging an exorbitant interest rate.

Mr. Kilander stated JP Development is paying the cost of construction plus interest each month and then at the end of the term if they wish to buy the building they have to pay for it all over again. He stated it is his understanding that the reason the agreement was structured that way is that the Authority cannot have a mortgage, even though it is structured like a mortgage. He added that it is not feasible that JP Development, or any owner in the future, will not purchase the building situated in the center of the property complex.

Chairman Anderson asked Attorney Stewart if he saw anything in the proposal offered by Gen. Macdonald that would be a legal issue.

Attorney Stewart indicated he did not see any legal issues.

Gen. Macdonald stated the worst possible thing that could happen as far as the Airport Authority is concerned would be for JP Development to buy us out. He stated we could not get the same rate of return we are getting. He stated by keeping the original agreement in place we are really pushing them to buy us out. He also added that we now have good, 24 hour service at the airport.

Mr. Pawluk stated that Valley Aviation was a 24 hour operation. He added that it makes economic sense for an FBO to be open 24 hours.

After further discussion, Chairman Anderson called for a vote on the motion.

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

Clark, Pawluk and Anderson voted no.

The motion failed.

Other Business:

Mr. Dobberstein stated we just received a phone call this morning from the FAA Airports District Office in Bismarck advising us that we have received a grant from the FAA for security related items which have been as a result of 9-11. He stated Darren Anderson has been working with Johnson Controls, which is the company that provided our current access card control system. He stated they have an upgraded system available which will allow us to do enhance our security control procedures. He stated the cost that has been quoted was \$67,850.00. He stated no one else was able to give us a proposal as this is a proprietary system and another company is not able to upgrade that system. He stated we submitted an application for this grant and the FAA will participate in 100% of the cost. He stated he would like the board to accept the grant, subject to the review and signature of the Executive Director and Attorney.

Mr. Pawluk moved the Airport Authority accept the grant from the Federal Aviation Administration for the upgrade to the security system, subject to review and signature of the Executive Director and Attorney upon receipt of the actual grant.

Second by Dr. Clark.

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

Other Business:

Mr. Dobberstein stated we received word from a firm that has been contracted by the TSA that they will be looking for approximately 3000 square feet of office space. He stated their first preference is in the terminal, which is not available. He stated second preference is somewhere on the airport or third preference is within five minutes of the airport. He stated a representative from that firm will be here in the next week or so.

Chairman Anderson welcomed Mr. Rob Lynch, the City Commission's liaison to the Airport Authority who will be replacing Commissioner Bromenschenkel.

Gen. Macdonald stated he would like to see the matter of the remodeling of the sidewalk entrance in front of the terminal, which was put on hold after we lost the short term parking lot.

Gen. Macdonald stated he would like the Airport Authority to send a letter to the ND Department of Transportation showing our appreciation for the 19<sup>th</sup> Avenue North underpass project.

All members were in agreement.

Mr. Dobberstein stated the Airport Authority received a plaque from the Marion Jayne Air Race in appreciation for our sponsorship.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 13, 2002, at 8:00 am in the Airport Boardroom.

Time at adjournment was 9:18 a.m.

Regular Meeting

Tuesday

August 13, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 13, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Stewart, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 23, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held July 23, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$32,401.32:

Mr. Pawluk moved to approve the airport vouchers totaling \$32,401.32.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$662.00 to T.L. Stroh Architects for payment request for architectural services in connection with the Hangar #2 project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$8,347.30 to Flint Communications for payment request for 2002 Airport Marketing Program.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$249.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the FAA Glide Slope Road (FAA will reimburse).

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Forum Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$80.94 to Forum Communications for advertisement for bids for engineering services.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Diamond Vogel Paints:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,496.00 to Diamond Vogel for the purchase of a paint/striper machine. (Approved by MAA on 7-23-02)

Second by Dr. Clark.

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

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

Approved the Individual Voucher to CM of North Dakota:

Gen. Macdonald moved to approve the individual voucher in the amount of \$32,616.00 to CM of North Dakota for Partial Payment Request #1 for construction of departure lounge/restroom project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$228.68 to T.L. Stroh Architects for payment request for engineering services in connection with the Hangar #2 Project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$1,584.62 to Foss Associates for payment request for architectural services in connection with the departure lounge/restroom project.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$455.44 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Dr. Clark.

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

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

Received Communication Regarding Proposed Language Amendment to Car Rental Lease Agreements:

Mr. Dobberstein stated we received a letter dated August 8, 2002 from Mr. Nick Vogel, Vogel Law Firm, on behalf of the owners of the four car rental agencies. He stated the letter indicated the four owners are requesting the lease agreement be amended in order to provide some additional specificity with respect to condition (b) at the top of Page 4 of the existing lease. The new requested language, to be added after the existing language, is as follows:

- “(b) A prospective customer should be able to reserve a vehicle through the affiliated agency’s National Reservation System including ‘rent it here – leave it there’ service. ‘Leave it there’ must include any location in the United States and Canada affiliated by name. The agency’s National Reservation System should include internet website, telephone reservation and agencies affiliated with same, i.e., including travel agencies and travel

Received Communication Regarding Proposed Language Amendment to Car Rental Lease Agreements: (Continued)

reservation systems. Also, any prospective customer must be able to rent from any other city and be able to drop the vehicle in Fargo, again through the normal course of placing a reservation.”

Mr. Dobberstein stated he had met with Mr. Hansen and representatives of Hertz regarding this matter.

Chairman Anderson asked Attorney Stewart to comment on the request.

Attorney Stewart stated the intent of the existing lease is that you would be able to rent a vehicle in Fargo and leave it at another location. He stated that is essentially what this proposed language says.

Chairman Anderson asked Attorney Stewart if he would recommend approving this request and adding this language.

Attorney Stewart stated he would have no reason not to, unless we found out that the language is somehow different than proposed. He stated the intent of the existing lease is to be able to rent it here and leave it there.

Mr. Kilander stated he does not understand the reason for the new language, unless they are trying to bar a door.

Mr. Dobberstein stated he and Darren Anderson spent quite a bit of time on the car rental reservation websites one day last week and Enterprise obviously does not specialize in city to city or state to state one-way rentals. He stated they do indicate that on some occasions they will accommodate your needs but you need to consult with the Enterprise office from which you intend to rent. He stated the other four all have that capability on their websites, however, the availability of cars was limited.

Mr. Dobberstein stated Enterprise has committed to this board that they will meet that provision of the lease.

Mr. Scott Bothfeld, Enterprise, was recognized and stated his concern would be the requirement that you be able to rent a car at any other location and drop it in Fargo. He stated he does not have control over what other areas of the country do. He stated he would be able to meet the requirement to be able to rent a car in Fargo and drop it at any other location.

Mr. Pawluk stated he is reluctant to change the language on an existing agreement at the same time that we have someone else who is considering entering into the same agreement. He stated it also seems to him that the only intention of the change is to create a barrier for someone else. He stated if the change is needed then we need to make the change, but he doesn't think the time is right. He added that he does not feel the current agreement is deficient.

Mr. Pawluk stated when he was stranded in Minneapolis a few months ago he was not able to rent a car that he could drop in Fargo.

Gen. Macdonald stated he is concerned about Enterprise coming in and then leaving again within a short period of time and the affect that will have on the other agencies. He stated if they don't make it they will be gone.

Chairman Anderson asked the board members if they wished to take any action on this matter today.

No action was taken.

Continued Discussion Regarding Enterprise Rent-a-Car Request:

Mr. Dobberstein stated at the last meeting the board directed him to send notices via certified mail to the four car rental owners advising them that the Enterprise request would be discussed again at today's meeting.

Mr. Dobberstein stated representatives from Enterprise Rent-a-Car are present today, as well as representatives from some of the existing agencies.

Mr. Dobberstein stated the board directed Mr. Scott Bothfeld, Enterprise, to work out the details in terms of space in the terminal building. He stated he received an e-mail from Mr. John DeCoster, Northwest Airlines properties manager, and he indicated Northwest has agreed to modify their lease and operating agreement to accommodate Enterprise, provided there is no cost to Northwest Airlines and that they are made whole on the amount of space, and that the change have no detrimental affect on their current lease.

Mr. Dobberstein stated the space in question is the former Thrifty space. He stated Northwest and Enterprise are proposing to move one wall within the office space and add access from the other side to accommodate Northwest's needs for their luggage service area. Northwest has been using just the office area, not necessarily the counter space.

Gen. Macdonald stated he is still concerned about the possibility of them coming in and not fulfilling the terms of the lease and then leaving on short notice. He stated if the other agencies drop the number of cars in their fleet, based on the addition of Enterprise, then the agencies will be in a bind. He stated he feels we should require some type of bond or written agreement that Enterprise would indemnify the Airport Authority should they not fulfil the terms of the agreement.

Mr. Bothfeld stated he would have no problem with that.

Attorney Stewart stated it would be tough to get that kind of a bond.

Mr. Pawluk asked if the minimum rental is not the guarantee.

Mr. Dobberstein stated the minimum guarantee is currently \$40,000 and goes to \$50,000 next year. He added that Gen. Macdonald's concern is valid and the four existing owners are going to make business decisions based on the plan by Enterprise to locate at the airport. Should Enterprise not follow through but not reveal that until the last minute, how are the other operators compensated for the loss of revenue based on their decisions.

Mr. Dobberstein stated we had four agencies and then added a fifth and now we are back to four. He stated in his opinion, if we add a fifth agency, we will still end up with four.

Mr. Kilander asked the term of the lease.

Mr. Dobberstein stated the lease with Enterprise will be for no more than five years. Mr. Dobberstein stated the lease for the current operators is concurrent with their ground lease for the service facility because of their financial investment in the facility.

Mr. Pawluk asked where Enterprise would be servicing their vehicles.

Mr. Dobberstein indicated he did not know.

Mr. Pawluk asked if that matter should be part of this discussion. He stated it was an important enough matter for us to spend quite a bit of time trying to get the service facility for the existing agencies located on the west side. He stated we also required that their facility be built in order to accommodate future expansion for future car rental agencies.

Chairman Anderson stated he does not remember it that way. He stated the way he remembers it is that the agencies were spending a lot of money running the cars back and forth between the terminal and the service facilities.

Mr. Kilander stated his recollection is the same as Chairman Anderson's.

Continued Discussion Regarding Enterprise Rent-a-Car Request:: (Continued)

Mr. Kilander stated he does not see that we have any grounds not to accept the proposal by Enterprise.

Mr. Kilander moved the Airport Authority accept the proposal from Enterprise Rent-a-Car, subject to adequately meeting all of the requirements presently in place.

Second by Gen. Macdonald.

Gen. Macdonald asked if we do determine that they are violating the terms of the lease, what is the procedure.

Attorney Stewart stated if we are aware that an agency is violating the terms of the agreement, we give them written notice and they have 30 days to correct the matter. He added that if they do not comply then we would take further action.

Mr. Bothfeld stated he is concerned that if the new proposed language is adopted that he would have no control over locations in other parts of the country.

Chairman Anderson stated there was no motion to approve the proposed language change.

Mr. Hadley Freng, Hertz, was recognized and stated their purpose in proposing the new language was not to amend the agreement but rather to more clearly define the item so there are no gray areas. He stated they are looking for a clearer definition of the services they have been providing and to give the airport the assurances that they are going to stay. He asked how many violations and 30 day notices would be given before an agency would be forced to leave.

Mr. Dobberstein stated when he and Darren tried to book one way rentals on the sites for the other agencies they could never find a car available for Avis or Budget, even though they were given the option. There was no problem with Hertz and National.

Gen. Macdonald asked what would happen if Hertz does not have a car available for a one way rental.

Mr. Freng stated it is possible that all of the cars were rented at that point, but then you would not be able to rent a vehicle for local use either.

Mr. Pawluk stated he is not ready to make this decision today. He stated he does not have any objection, but he just has some reluctance.

Mr. Kilander stated even though he made the motion he has some of the same concerns. He stated, however, we have a request before us and they would like us to take action.

Mr. Bothfeld stated he appreciates the concerns of the board members, however, Enterprise is not a fly-by-night operation. He stated they are on-site at over 110 locations with the most number of units on the road. He stated they are here for the long haul and the Airport Authority can include whatever it needs to in an agreement for assurance.

Mr. Maurice Lamb, National Car Rental, stated that if the referee in bankruptcy has their way, then he will have two agencies, National and Alamo, so there will be six agencies.

Mr. Kilander stated it is his understanding that the six month notice starts when we have a commitment to lease.

Mr. Dobberstein stated that is correct. The six month notice will commence when a commitment to lease is signed.

Chairman Anderson called for a vote on the motion.

Members Kilander, Macdonald, Clark and Anderson voted aye.

Mr. Pawluk voted no.

The motion was declared carried.

Continued Discussion Regarding Proposed Patio Improvement in Front of the Passenger Terminal:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the last time we talked about this matter was September 11, 2001, and then following the changes after that date the matter was put on hold.

Mr. Stroh stated since it has been so long since we talked about it he would like to review the different ideas he has had. He stated he has come up with a different lighting suggestion since then. He stated the lighting industry has come up with some very nice indirect lighting that would help to illuminate the area well. He stated the light is shot up toward a reflector and then disperses it to give it a softer feel.

Mr. Stroh stated for the surface we were looking at either stamped concrete or pavers with a window frame or picture frame effect around the outside. He stated apparently someone has convinced the downtown people that pavers are going to work alright with snow removal equipment. He stated waiting to see how that is going to work for them may have some bearing on the board's decision for this project. He stated typically a heavy paver project is put down on concrete.

Mr. Lynch now absent.

Mr. Stroh stated we had also talked about designing the walk with more of a defined path for passengers and making that area surface smoother so it is easier to maneuver the luggage with wheels and to cut down on some of the vibration and noise.

Chairman Anderson asked if we really needed the lower lights among the plantings.

Mr. Stroh stated he feels we do as plantings always look better when they are illuminated.

Mr. Dobberstein stated we budgeted \$25,000 for this project last year.

Mr. Pawluk asked if we will spend all of that.

Mr. Stroh stated the lights will be a great part of that. He stated he would probably have Joel Kath at Ulteig Engineers give an opinion on the recommended lights and the lumens they will produce.

Chairman Anderson stated he thinks it will be a lot more than \$25,000. He asked the board if we would like Mr. Stroh to proceed with drawings and advertisement for bids.

Gen. Macdonald moved TL Stroh Architects be authorized to proceed with drawings for the patio improvement project, advertise for bids and bring bids back to the board.

Second by Mr. Pawluk.

Mr. Dobberstein advised Mr. Stroh that he can work with Hanson Design Associates on the plantings for the area as they are handling our tree master plan.

Mr. Stroh indicated he would have an estimate at the next meeting.

Received Update on Departure Lounge/Restroom Project:

Mr. Dobberstein stated he distributed an updated drawing to the board members, which was modified after a visit by Lockheed-Martin, who was contracted by the TSA to review the security checkpoints at all airports in the country. He stated the items highlighted in yellow are the changes required by the TSA and the federal government will pay for the cost of the modifications. He stated he is providing this just as an FYI as we do not have any options.

Mr. Dobberstein stated the Federal Security Director for Fargo is now in place. He is Mr. Bruce Towers and will have the airports in Fargo, Grand Forks, Jamestown, Devils Lake, and possibly Thief River Falls under his jurisdiction.

Continued Discussion Regarding Proposed Restaurant Remodeling Project:

Shelley Richards, Foss Associates, was recognized and stated they are getting closer to finalized plans for the restaurant project. She stated the intent of the project is to open up the area in the restaurant so it does require gutting the space. She stated the new deli area will be moved to the left with some open seating where the current snack bar area is located. She stated beyond that will be the more formal restaurant area. She stated they are also proposing a new horseshoe shaped bar. She stated very minimal changes will be made to the bar/pool table area, probably just painting and new carpet. She stated the rest of the area will have new wall coverings and flooring. She stated they have considered the wood look vinyl flooring as well as some carpet. She stated they will also be redoing the ceiling but will be retaining some of the existing ceiling.

Ms. Richards stated there will be some electrical work including new lighting. She added that as far as the HVAC system there will not be any modifications. She stated the only work that will be required in the kitchen will be the ceiling tiles and repair one wall behind the stove.

She stated they have run some preliminary estimates and the total project cost is about \$470,000. She stated this is over the \$400,000 budget they were given originally, but we will be able to go in and make some revisions and delete some items that are possible.

Ms. Richards stated Mr. Haug's initial thought was that this project would be completed by November of this year, but that is not possible. Ms. Richards stated they plan the project to be in four phases starting at the front. She stated they have at least one month's work to do on the construction documents and the bids need to run for about three weeks. She stated they need to know what timeline the Authority has in mind.

Mr. Pawluk stated he feels January or February would be a good time to start construction.

Chairman Anderson stated he agrees. He stated if we prepared the bid documents in the fall and bid it for a start after the first of the year we will get our best numbers.

Mr. Dobberstein stated Mr. Haug is interested in looking at new gas water heaters under a program Xcel Energy has going right now. He added that has not been included in these plans.

Gen. Macdonald asked about our present contract with The Barnstormer. He stated if we go ahead with this project maybe we should consider extending that agreement for five years after completion of the project.

Mr. Pawluk stated any restaurant operator would love the opportunity, especially to go into a remodeled space. He stated he thinks this is very desirable for an operator. He stated if we put it out for bids we might be surprised at how much interest there might be.

Chairman Anderson stated the facility has aged and it certainly time for an upgrade. He added that the payback for our investment is not going to be there. He stated it is part of the terminal and a service we need to offer. He stated he feels it is important for us to have some kind of a number in mind rather than having a carte blanche checkbook. He stated he can see this project coming in at huge numbers.

Gen. Macdonald asked if we could include a lot of the items as alternates.

Mr. Pawluk stated he likes the idea that the deli seating area will be open and available to seating at any time, even if people are not eating or the deli is closed.

Chairman Anderson agreed that it is a good idea to include as many alternates as possible since we are already over our initial budget figure.

Mr. Kilander stated this a project that will last for the next 10-15 years so we certainly want to do it right and consider the amortization of costs over that period.

Continued Discussion Regarding Proposed Restaurant Remodeling Project: (Continued)

Dr. Clark moved Foss Associates be authorized to proceed with construction documents.

Second by Mr. Pawluk.

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

Received Communication from Dakota Air Parts International:

Mr. Dobberstein stated we received a communication from K.C. Hemelstrand, Dakota Air Parts International, Inc. dated August 5, 2002, requesting they be considered for any upcoming hangar and office space that may come available on the airport. Mr. Dobberstein stated the present occupy some of the first floor of the Eastside Terminal.

The communication was received and filed without objection.

Received Communication from AT&T Wireless Regarding Their Ground Station Lease:

Mr. Dobberstein stated at a meeting earlier this year we received a communication from AT&T Wireless requesting that their ground lease for their station on the north end of the airport be continued on a month to month basis, as they were not sure of the future need for the equipment located there. He stated we have now received a communication from them dated July 31, 2002, indicating they wish to terminate the lease effective August 31, 2002.

The communication was received and filed without objection.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated the parking lot project is complete with the exception of the removal of the dirt pile. He stated Northern Improvement has committed to moving the dirt pile.

Mr. Synhorst stated they have a punch list going on the Runway 8/26 project so now it is a matter of keeping on them to get those items finished.

Mr. Synhorst stated they are working on the grading portion of the storm sewer/drainage project and that project should be complete in the next few weeks.

Other Business:

Mr. Dobberstein stated we have received engineering proposals from two firms, Moore Engineering and Ulteig Engineers. Interview date was set for Tuesday, August 20, 2002 at 8:00 a.m. Mr. Dobberstein stated award of the contract will be made at the meeting on August 27.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 27, 2002 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:18 a.m.

Regular Meeting

Tuesday

August 27, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, August 27, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson

Absent: None

Others: Stewart

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 13, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held August 13, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$26,694.90:

Dr. Clark moved to approve the airport vouchers totaling \$26,694.90.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,888.10 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Taxiway A Drainage Project, AIP.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,282.76 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 project, AIP Project 3-38-0017-25.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,233.40 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot expansion project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Paul Bunyan Tree Service:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,080.00 to Paul Bunyan Tree Service for payment request for tree relocation project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,265.50 to Bergstrom Electric for payment request #2 for electrical portion of departure lounge/restroom project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Rising Sun Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$34,490.00 to Rising Sun Construction for payment request #2 for Taxiway A Drainage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Communication Regarding Engineering Firm Interviews and Make Associated Selection:

Mr. Dobberstein stated engineering interviews were held August 20, 2002. He stated the firms responding to the request for proposals were Moore Engineering and Ulteig Engineers, Inc. He stated the ratings were tabulated and results presented to the board members.

Gen. Macdonald moved that the actions taken during the interviews, as shown on the tabulation, be affirmed and that Ulteig Engineers, Inc. be hired to provide engineering services for a five year period.

Second by Dr. Clark.

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

Absent and not voting; Kilander

The motion was declared carried.

Chairman Anderson stated Ulteig Engineers, Inc. did a very good job and had a very professional presentation.

Mr. Steve Synhorst, Ulteig Engineers, stated they appreciate the board's confidence and support as we have a big project ahead of us.

Continued Discussion Regarding Proposed Sidewalk/Patio Project:

Mr. Terry Stroh, TL Stroh Architects, stated at the last meeting he was directed to bring back to the board a preliminary estimate for the sidewalk/patio project. He stated he did work with Jim Hansen, Hansen Design Associates, on the plantings for the area. He stated as far as the lighting portion of the project he basically got some quotes from suppliers so the figures shown are not any specific fixture. He stated he also talked with Joel Kath, Ulteig Engineers, and he gave him an estimate in bringing in some new conductors and installing poles, etc. Mr. Stroh stated he got quotes for both stamped/colored concrete and pavers and he was surprised that the pavers were only \$600 more than concrete. He added that these are preliminary estimates.

Mr. Stroh stated as far as getting this project done yet this year he thinks it would be hard to find a contractor that would be able to fit this in yet this fall.

Chairman Anderson stated he feels we would save money if we bid the project this winter and do the project in the spring. He stated he is not sure how big a priority this is for the other board members.

Mr. Pawluk stated asked if we just replaced the concrete but did not do anything with the lighting at this time, as the lighting is \$15,000 of the \$61,000 estimate. He stated on the other hand the finished project would be very attractive and this is something that will last for the next 20 years.

Gen. Macdonald stated he would like to see that area improved but since we would not be doing the project this fall he would like to spend a little more time and think a little more about what we want to do.

Mr. Pawluk asked Mr. Stroh how he would refine it to get the costs down.

Mr. Stroh stated we could certainly make some adjustments in the lighting, but he stated that the lighting will certainly make the difference in the project and dress up the area.

Mr. Dobberstein stated he would recommend that we wait until after the first of the year to bid the project. Mr. Dobberstein stated the board could authorize Mr. Stroh to proceed with preparing the plans as we can always line out any items.

Continued Discussion Regarding Proposed Sidewalk/Patio Project: (Continued)

After further discussion it was the consensus of the board to wait until after the first of the year to bid the project.

Mr. Stroh stated with a bid date in January or February they probably would not start on the documents for a while so the board can continue to come up with any other ideas for the project.

Received Update Regarding Hangar #2 Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they had a meeting at the project yesterday. He stated right now they are working on a couple of concrete items that need attention and should be complete in the next two weeks. He stated it is our goal to have everything complete by October 1.

Mr. Pawluk stated he was at the hangar yesterday and his concern was all of the cracks in the concrete in the area of the hangar door. He asked what caused that.

Mr. Stroh stated they are not sure. He stated they are taking some concrete out in that section and they may find that a dowel was a little too close to the surface and caused that cracking. He stated they will probably rout out that area and use a sealer so there is no spalling in that area.

Mr. Pawluk stated he is concerned about doing topical solutions on new concrete that might last for only a few years when the concrete itself should last for at least 30 years.

Mr. Stroh stated the potential spalling is an issue since it is on the airport. He stated if it was a facility that housed trucks it wouldn't be an issue. He stated Northern Technologies is going to do some further testing on the matter.

Mr. Dobberstein stated his goal is to have the final paperwork submitted to ND Emergency Management by October 1.

Received Communication from Fargo Jet Center Requesting Approval of Hangar #3 Administration Building Sublease to TSA:

Mr. Dobberstein stated he previously reported to the board that a company called Equis, who was contracted by the GSA to find office space for the TSA, had contacted us regarding office space for the TSA. He stated he has been advised that they have come to an agreement with Fargo Jet Center for the sublease of the former Flight Training building in the southeast general aviation area. He stated the building is leased to Fargo Jet Center through April 2004.

Mr. Dobberstein stated he would recommend the board approve the sublease to the TSA.

Mr. Pawluk moved to approve the sublease of the Hangar #3 Administration Building by Fargo Jet Center to the Transportation Security Administration.

Second by Dr. Clark.

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

Received Update Regarding Flight Information Display System Project:

Mr. Dobberstein stated we have been discussing a Flight Information Display System project for some time now. He stated he and Darren Anderson, as well as Gen. Macdonald, have checked out available systems at various conferences they have attended. He stated the technology has changed so much since we first starting looking at a system. He stated Darren Anderson just attended the conference of the AAAE Great Lakes Chapter in Rapid City, SD, and he was able to see the Rapid City Airport's system in place.

Mr. Darren Anderson stated Rapid City has a system that we like. He stated Mr. John Ahrendes had a presentation of this system for the board here recently. He stated Mr. Ahrendes was at the conference in Rapid City so he spent quite a bit of time with him reviewing the system. Mr. Anderson provided the board with some photos of the monitors in Rapid City.

Mr. Anderson explained that the information comes from radar data so there is no input from the airlines required, unless there is something like a mechanical delay, then the airlines would input that information into the system. He stated this will also provide information on charter flights, which is difficult to get right now.

Mr. Dobberstein stated we have budgeted \$150,000 for this, which may be on the high side. He stated this is included in our current PFC for which we are collecting funds.

Mr. Anderson stated there are no fees for the first two years but then after that there will be a subscription price, which is about \$500 per month.

Mr. Dobberstein stated this system will be tied into our website. He stated we can also work with the cable television provider to tie it into their aviation weather page. He stated Sioux Falls provides a live feed to their cable access station and it is very popular.

Mr. Anderson stated the system also creates a report of all landings so we will be able to track landing operations.

Mr. Pawluk asked if there will be any monitors in the restaurant.

Mr. Dobberstein stated that is a possibility.

Mr. Dobberstein stated Darren Anderson has completed the specification documents. He stated AutoFIDS is a supplier and the equipment would need to be installed by an electrician.

Chairman Anderson stated he would recommend that we bid it to the supplier and the supplier would then hire the electrician. He stated that way if there are any problems we have only one party to go to.

Mr. Dobberstein stated we are looking at doing that. He stated we will supply them with the names of a couple of electrical firms that are familiar with the building. He stated we will advertise in The Forum and also in the AAAE's Airport Express so we should have some interest shown. He stated we will advertise for three weeks and after the project is awarded they will have 120 days to complete the project.

Authorized Preparation of Specifications and Advertisement for Bids to Replace Two Front End Loaders:

Mr. Dobberstein stated we looked at replacing two loaders last year but put that off until this year so that we could get into the new model year. He stated the units we will be replacing are a 1992 John Deere and a 1992 Caterpillar. He stated our mechanic, Ron Olson, is here to answer any questions the board may have. He stated Darren Anderson has come up with four different ways to bid the loaders. He stated the old ones would either be traded in or sold at the City's public auction.

Authorized Preparation of Specifications and Advertisement for Bids to Replace Two Front End Loaders: (Continued)

Mr. Kilander now present.

Mr. Dobberstein stated these loaders are eligible for PFC funding so that is where we will get the funds.

Mr. Ron Olson was recognized and stated the current units have a lot of hours on them and the equipment is quite loud. He stated the reason for the smaller unit is for the parking lot snow removal projects.

Gen. Macdonald moved to authorize the preparation of plans and specifications and advertisement for bids for the replacement of two front end loader.

Second by Mr. Pawluk.

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

Received Communication from APCOA and Approve Contract Extension Request:

Mr. Dobberstein stated APCOA (Airport Parking Company of America) has served this airport with parking lot services since the early 1970's. He stated their contract expires December 31 of this year and they are asking for a five year extension in exchange for an investment of \$40,000 in improvements. He stated \$25,000 will be to resurface the short term and existing long term lots. He stated that will leave a balance of \$15,000 for other improvements over the five year period.

Mr. Dobberstein stated he would recommend the contract be extended. He stated according to City Ordinance this does not have to be advertised. The Airport Authority can lease property at its own discretion.

Gen. Macdonald moved to approve the five year extension to the agreement between the Municipal Airport Authority and APCOA as requested.

Second by Dr. Clark.

Mr. Dobberstein stated APCOA has done an excellent job for us and the current manager, Robert Kinnoin, goes above and beyond in his service.

Dr. Clark stated a rate adjustment was mentioned in APCOA's proposal.

Mr. Dobberstein stated it has been a while since we looked at a rate adjustment. He stated we probably will not do anything the first year but after that we may look at rates at other area airports.

Chairman Anderson called for a vote on the motion.

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

Considered Sponsorship of Governor's International Trade Conference, September 23-24, 2002;

Mr. Dobberstein distributed copies of a brochure for the Governor's International Trade Conference, September 23-24, 2002, Ramada Plaza Suites in Fargo. He stated they are looking for a sponsorship from the airport for \$250 to \$5,000.

Mr. Dobberstein stated he has had a lot of conversation with Brian Walters at Economic Development in terms of the airport's role in trying to facilitate an import/export study of businesses within a 100-150 mile radius of the airport. He stated we would be looking for information on what they are shipping and how it is shipped. He stated this may open the door to other groups looking

Considered Sponsorship of Governor's International Trade Conference, September 23-24, 2002;  
(Continued)

for sponsorship as well, but he would justify this on a tie to air cargo or increased activity to our US Customs port, whether it be by air or rail cargo. He stated one of our goals between now and next July is to show an increase in activity with our Customs port. He stated by networking with these people we can get a better understanding of their cargo needs.

Mr. Dobberstein stated he would recommend the Airport Authority participate on the \$250 level.

Mr. Kilander stated if this is something Mr. Dobberstein feels will have an impact on our Customs port he feels we should definitely get behind it.

Mr. Pawluk moved to authorize sponsorship in the Governor's International Trade Conference at the Associate Level (\$250).

Mr. Kilander asked if it should be at a higher level.

Gen. Macdonald stated if this as important as it sounds to the airport and our Customs port then perhaps we should participate at a higher level.

Mr. Pawluk stated entering at the lower level does not prevent us from participating with further assistance in the future. He supports Mr. Dobberstein's contention of getting in and establishing a relationship.

Motion seconded by Dr. Clark.

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

Reviewed Proposed Tree Planting Plan for North General Aviation Access Road:

Mr. Dobberstein stated Hanson Design Associates has provided us with an opinion of probable costs through the City Forester. He stated they are working on several projects for us. He stated bids are due today for replacing some of the trees around the terminal area.

Mr. Dobberstein stated they are looking for the board's concurrence on the plan for trees along the north general aviation area. He stated this is a project that has been on their to do list for a year or so. He stated Hanson Design provided us with a map showing the plan for trees and various species. He stated they will solicit informal bids from various tree suppliers. He stated the board's approval today will allow them to get the bids and award project to the lowest bidder. He added that the suppliers might not have all of the species available yet this fall.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated the trees will be great for that area. He stated is the first time he has seen this plan, but he would suggest continuing the trees to the east along 38<sup>th</sup> Avenue North. He stated Fargo Jet Center planted trees along 38<sup>th</sup> Avenue to the west.

Mr. Pawluk moved the plan for the north general aviation area tree plantings be approved as presented, with the addition of trees along 38<sup>th</sup> Avenue to the east at the discretion of management.

Second by Gen. Macdonald.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 10, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:10 a.m.

Regular Meeting

Tuesday

September 10, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 10, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Stewart, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 27, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held August 27, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$21,738.99:

Dr. Clark moved to approve the airport vouchers totaling \$21,738.99.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$9,534.54 to Flint Communications for payment request for 2002 airport marketing program.

Second by Pawluk.

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

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

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,433.94 to Foss Associates for payment request for architectural services in connection with the departure lounge/restroom project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$3,762.85 to Foss Associates for architectural services in connection with the restaurant remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$1,869.66 to Foss Associates for payment request for architectural services in connection with the modifications to the checkpoint as required by TSA (will be reimbursed by TSA).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$3,639.07 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Taxiway A Drainage Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,060.87 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension and West Perimeter Road, Project AIP25.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to CM of North Dakota:

Gen. Macdonald moved to approve the individual voucher in the amount of \$14,130.00 to CM of North Dakota for payment request #2 for construction of departure lounge/restroom project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Hansen Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,012.50 to Hansen Design Associates for professional services in connection with the airport tree master plan.

Second by Mr. Pawluk.

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

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

Approved Assignment of Hangar Lease from Jerry Meyers to David Glatt (Northwest Hangar):

Mr. Dobberstein stated this is basically a matter of information for the board. He stated within the last year Mr. Jerry Meyers bought Dr. Nagle's share of the Northwest Condominium Hangar. He stated Mr. Meyers is now selling his share to Dr. David Glatt. He stated all hangar leases require the Airport Authority be notified of changes in ownership.

Mr. Pawluk moved the Airport Authority approve the assignment of lease from Jerry Meyers to David Glatt in the Northwest Condominium Hangar.

Second by Mr. Kilander.

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

Received Communication from Fargo Air Museum:

Mr. Dobberstein stated we received a letter dated September 6, 2002, from Mr. Robert J. Miller, Chairman of the Fargo Air Museum, along with a copy of a letter from City of Fargo Inspections to the Fargo Air Museum dated April 12, 2002.

Mr. Dobberstein stated the letter from Inspections advised the Fargo Air Museum that they are not in compliance with building codes with respect to the building sprinkler system and a fire hydrant. He stated when the museum was under design and construction he does not recall a fire hydrant being discussed so this must be something after the fact. He stated it has been our tradition in the southeast general aviation area to provide the fire hydrants necessary. He stated this hydrant will serve not only the museum but other tenants in the area.

Chairman Anderson stated rather than providing a blank check for this hydrant project he would like Mr. Synhorst, Ulteig Engineers, to prepare something for our review and present the options available. He stated before a proposal is brought to the board he would like Mr. Synhorst to get approval from the Fire Department.

It was the consensus of the board that they were open to granting the Museum's request but that they would like to see a proposal from Mr. Synhorst before proceeding.

Received Update from Enterprise Rent a Car:

Mr. Dobberstein stated as of last Friday, Mr. Scott Bothfeld, Enterprise Rent a Car, agreed to the terms and language for the Commitment to Lease agreement after working with Attorney Stewart. He stated this Commitment to Lease will start the clock for the six month waiting period until they sign their actual lease which is identical to the other agencies. He stated Enterprise will be able to begin operations on March 1, 2003. He stated Enterprise will be located in the former Thrifty space and the parking arrangements will be worked out among the five agencies. He stated there will be a few modifications to the Thrifty space needed in order to accommodate the Northwest Airlines luggage service area. He stated we will work with Mr. Bill Cowman, Foss Associates, on that project. He stated Enterprise has agreed to reimburse the Airport Authority for any of those costs should the work be done and Enterprise not go ahead with the lease. He added that Enterprise will pay for all of the special make up of their space.

Mr. Dobberstein stated with the board's approval he and Chairman Anderson will sign the agreement and overnight it to Mr. Bothfeld.

Gen. Macdonald stated he is still very concerned about the affect on the other four car rental agencies should Enterprise not follow through. He asked if Enterprise is committed for a five-year term when they sign the lease.

Mr. Dobberstein stated the proposed lease states \$50,000 per year or prorated portion thereof from the date of commitment (March 1, 2003) of the lease in accordance with the graduated schedule in the existing leases.

Gen. Macdonald stated he does not like that. He stated he would like Attorney Stewart to give us a written assurance that if after they sign the commitment and then change their minds that they owe us a certain amount of money.

Mr. Kilander stated he has a similar concern. He stated what this sounds like to him is an option to lease and that we are asking the other four operators to adjust to the option being granted to Enterprise. He stated he feels the Commitment to Lease has no teeth. He stated he does not think we are providing enough protection to the existing agencies should Enterprise not follow through.

Attorney Stewart stated if Enterprise does not follow through they will have to pay the \$50,000 guarantee in addition to any construction costs incurred by the Airport Authority. He stated there is nothing in this agreement establishing a duty between Enterprise and the other car rental agencies. He stated we have an indemnity agreement that if for some reason the Airport Authority should be sued then Enterprise would have to indemnify us.

Mr. Kilander stated we should also protect the other operators.

Mr. Stewart stated that is pretty hard to do.

Chairman Anderson stated he knows that Enterprise is entering into a lease with another company for a service facility.

Mr. Kilander stated he does not think there will be any problem with Enterprise, but his concern is that we are opening the door one way for them potentially to the detriment of those already here serving the customers.

Mr. Dobberstein stated that could happen in the car rental business, the airline business, or any other type of business. He stated if another airline started serving Fargo it would probably take passengers from an existing airline.

Received Update from Enterprise Rent a Car: (Continued)

Mr. Kilander stated he does not mind them taking customers, that is the free enterprise system. He stated what bothers him is that we are starting the clock and they are not committed to anything beyond a little start up cost.

Mr. Pawluk stated we provided every incentive and directive to the existing rental car operators to establish their service facility near the terminal because we felt it was better for everyone involved, yet when we approved Enterprise we really did not have any discussion about what they were going to do for service. He stated there is a provision that allowed for expansion of the car rental service facility, but it is probably too late to insist at this point, but their rental cars should be serviced near the terminal just as the others.

After further discussion, Gen. Macdonald moved the Commitment to Lease be amended to state that Enterprise will incur a \$25,000 charge for the first six months and that charge will be applied toward the first year's guaranteed minimum, recognizing the possible infirmity if it was held to be a penalty and not collectible.

Second by Mr. Pawluk.

Mr. Kilander stated that even if we charge Enterprise \$25,000, that does not help the four businesses on site that have adjusted their operations and inventory to accommodate the competition.

Mr. Pawluk stated it is his thinking that when Enterprise signs this agreement that they will be sending us a check for \$25,000.

Gen. Macdonald withdrew his motion.

Mr. Pawluk withdrew his second.

Mr. Kilander moved the Airport Authority require Enterprise Rent a Car to enter into a lease agreement and six months from the date they enter into the agreement they will be on site and operating, and that the lease be binding for a five year period.

Second by Gen. Macdonald.

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

Mr. Dobberstein stated we should not be certain that the existing agencies will be reducing their inventory. He stated we might be surprised and see some of them adding inventory.

Discussed National Guard Plan for South General Aviation Area Rehab Near Former Hangar #2 Site and Apron:

Mr. Steve Synhorst, Ulteig Engineers, Inc., was recognized and stated that we have been advised by the base engineer at the North Dakota Air National Guard that funding has become available before the first of October to demolish the old ramp, except for one small portion along the south side. He stated the old concrete is going to be removed and new storm sewer installed. They will then put new topsoil on the area and seed it. He stated that they will be adding the demolition of the Hangar #2 boiler building in the same project.

Mr. Dobberstein stated this is basically an FYI for the Airport Authority since it is our property leased to the NDANG.

Receive Update Regarding Airline Lease Amendment for Atlantic Coast Airlines:

Mr. Dobberstein stated we received a letter from Mr. Steve Dwiggin, Manager, Airport Affairs, SkyWest Airlines, dated September 3, 2002. He stated effective October 31, 2002, SkyWest Airlines, flying as United Express, will replace two of the three Air Wisconsin flights in the Fargo-Denver market. The flights will be flown using Canadair Regional Jets and will be handled by Atlantic Coast Airlines personnel in Fargo. There will be no SkyWest Airlines employees stationed in Fargo.

Mr. Dobberstein stated our lease agreement is with Atlantic Coast but we bill Air Wisconsin separately for their landing fees, terminal rent, crash fire rescue. He stated the lease will be amended to add SkyWest. He added that SkyWest will be sending information regarding insurance coverage.

Gen. Macdonald stated we should put out a press release announcing SkyWest's service.

Consider Change Order for AIP25 REIL Replacement:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated this change order involves the runway end identifier lights (REILS). He stated when we extended the runway we took the REILS we moved the existing lights which were installed when the runway was constructed. He stated those lights have given us problems since they were installed.

Mr. Synhorst stated the FAA has an approved list of vendors of electrical equipment. He stated we do not get to specify the manufacturer we want but rather have to accept a bidder from that list. He stated if we had our preference we would probably pick another manufacturer. He stated we contacted the FAA Airports District Office in Bismarck and advised them we would like to do a change order to replace at least a portion of the lights.

Mr. Synhorst stated we received quotes from three manufacturers, Flash Technologies, Siemens (manufacturer of the existing lights), and Crouse-Hinds. He stated Flash was lowest at \$7,350 and Siemens was second at \$7,550. He stated he would recommend that we go with Siemens so that we have the same equipment on the runway and it is not mismatched. He stated the total of the change order will be \$9,150 with the installation of bases. He stated this does qualify for 90% AIP funding.

Mr. Pawluk moved to approve the change order to replace the runway end identifier lights to Runway 8/26 and Taxiway C Extension and West Perimeter Road, Project AIP25, in the amount of \$9,150, as proposed by Ulteig Engineers, Inc.

Second by Gen. Macdonald.

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 working on the final punchlist for the Runway 8/26 Project. He stated right now the contractor is working on the settling of dirt along the edges of the runway so they are backfilling along the edges and the seeder is coming this week to seed the areas again. He stated they are also working on cleaning up ruts. He stated they have been working on getting the electrical contractor to finish up and as soon as those items are done we should be able to close out the contract. He stated it is still his contention that we are going to assess the liquidated damages. He stated had we not had a nice fall season last year the runway would never have opened.

Received Update on Airport Construction Projects: (Continued)

Mr. Synhorst stated on Taxiway A Drainage Project they are seeding and hydromulching the area today. He stated the contractor has to repair a gate that was damaged and that project will be done.

Mr. Synhorst stated the dirt pile from the parking lot project is gone.

Other Business:

Mr. Dobberstein stated the project for the tree planting in the terminal area and the north general aviation area was awarded to HCI based on their bid of \$38,813. He stated some of the trees will be put in this fall but some species may have to wait until spring depending upon availability. He added that this is part of our tree master plan.

Mr. Dobberstein stated we are in the process of advertising for an Equipment Operator III to replace an operator who had continual problems with an injury from previous employment.

Mr. Dobberstein stated we will begin advertising for our Flight Information Display System and will be receiving bids for that project soon.

Mr. Dobberstein distributed information on a televised seminar sponsored by the North Dakota Aeronautics Commission on October 10, 2002. He stated this is a general aviation airport management seminar entitled "How to Assure the Future of Your Airport."

Chairman Anderson indicated he would attend the seminar.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 8, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:56 a.m.

Regular Meeting

Tuesday

October 8, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 8, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Pawluk, Anderson  
Absent: Clark, Macdonald  
Others: O'Keefe

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 10, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held September 10, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$51,429.96:

Mr. Pawluk moved to approve the airport vouchers totaling \$51,429.96.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Pawluk and Anderson voted aye.  
Absent and not voting: Macdonald, Clark  
The motion was declared carried.

Approved the Individual Voucher to Chuck's Sandjacking:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,480.00 to Chuck's Sandjacking for repairs to Westside Terminal area sidewalks.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Pawluk and Anderson voted aye.  
Absent and not voting: Macdonald, Clark  
The motion was declared carried.

Approved the Individual Voucher to Swanston Equipment:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,633.80 to Swanston Equipment for painting on Runway 17/35.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Johnson Controls:

Mr. Pawluk moved to approve the individual voucher in the amount of \$31,890.00 to Johnson Controls for Payment Request #1 for Access Systems Upgrade, Project AIP27.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Sherman, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$12,254.00 to Sherman, Inc. for Payment Request #1 for construction of Departure Lounge/Restroom Project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$8,404.55 to Flint Communications for payment request for 2002 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, 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 \$1,771.93 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Runway 8/26 and Taxiway C Extension, and West Perimeter Road, Project AIP25.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, 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 \$137.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the parking lot expansion project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, 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 \$1,633.55 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Taxiway A Drainage Project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, 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 \$17,240.00 to Border States Paving for payment request (final) for construction of parking lot expansion project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$27.69 to The Forum for advertisement for bids for Flight Information Display System Project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$46,436.30 to Nodak Contracting for Payment Request #7 for electrical portion of NDANG Arm/Disarm Apron.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Dakota Fence:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,415.00 to Dakota Fence for the relocation of fence in the Eastside Terminal area and car rental facility area.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to CM of North Dakota:

Mr. Pawluk moved to approve the individual voucher in the amount of \$19,979.90 to CM of North Dakota for Payment Request #3 for construction of Westside Terminal Security Checkpoint and Restroom Project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to American Association of Airport Executives:

Mr. Pawluk moved to approve the individual voucher in the amount of \$85.00 to the American Association of Airport Executives for advertisement for bids for Flight Information Display System Project.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Olaf Anderson & Son:

Mr. Pawluk stated he visited the Hangar #2 project the other day and it looks to him like we have compromised what we would accept on the finished product as far as the concrete portion of the project. He asked Mr. Terry Stroh, TL Stroh Architects, what information he has that indicates the concrete is going to be okay.

Mr. Stroh stated Northern Technologies has done some testing and they do not have any concerns about the concrete right now. He stated there are some finger cracks right at the edge coming into the building, but those have been routed out. He stated we will probably continue to monitor those and if they look like they are going to get worse then they would again route them out and epoxy caulk them. He stated typically this is not a big deal and perfectly acceptable to us and to the testing company in terms of quality and what will happen down the road. He stated the concrete may not look as good cosmetically, but structurally we are in fine shape.

Mr. Pawluk stated he is on the south ramp quite a bit and he drives past panel after panel after panel of concrete that is probably 20 years old and there is not a crack in it. He stated then he gets up to the concrete that has just been poured and there are cracks all over. He stated he would not accept the quality of that concrete at his home and asked Mr. Stroh if he would accept that.

Approved the Individual Voucher to Olaf Anderson & Son: (Continued)

Mr. Stroh stated that concrete in Fargo-Moorhead does crack pretty often. He stated from what he understands we have already replaced the areas that were recommended to be replaced.

Mr. Pawluk asked if it would be appropriate for the Airport Authority to ask Mr. Steve Synhorst to give an evaluation of the concrete, since once we accept it we have to live with it. He stated he does not feel it is of the quality we should accept.

Mr. Stroh indicated Mr. Synhorst is welcome to make an evaluation.

Mr. Pawluk stated he does not intend to hold up this payment request.

Mr. Pawluk moved to approve the individual voucher in the amount of \$87,259.90 to Olaf Anderson & Son for payment request #8 for construction of the Hangar #2 Project.

Second by Mr. Kilander.

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

Mr. Anderson abstained.

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Authorized Replacement of Office Copier:

Mr. Dobberstein stated that Mr. Darren Anderson received proposals on a couple different photocopy machines (Xerox and Kyocera-Mita) and copies of the proposals were distributed to the board members. Mr. Dobberstein stated we have had the Kyocera-Mita machine here on a trial basis for a few weeks and it has worked out well. He stated the price for the Xerox is \$11,335 and the Kyocera-Mita is \$8,072.11.

Mr. Kilander moved to approve the purchase of the Kyocera-Mita copier from Liberty Business Systems in the amount of \$8,072.11.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Received Update on Hangar #2 Project:

Mr. Dobberstein stated there is just a small punchlist remaining on this project which Joe Jenni (TL Stroh) and Jed Krieg (Olaf Anderson) are working on getting completed. He stated as far as the occupancy of the facility, he spoke with National Guard representatives in Bismarck and they still are not sure of funding so for the time being they are choosing to stay in their present facility. Mr. Dobberstein stated there has been some interest shown in the hangar by a current tenant in the Eastside Terminal, but he stated he is not certain this tenant needs that much space.

Mr. Dobberstein stated if he gets a firm "no" from the Guard then he would be prepared to advertise the hangar for lease. He asked the board if we want to advertise the building for lease and take what we can get or does the board want to set a monthly lease amount. He stated if a potential tenant came forward with a long term lease proposal we would then consider moving ahead with the office alternate.

Received Update on Hangar #2 Project: (Continued)

Mr. Dobberstein stated another alternative would be to sell the hangar, but he would first have to find out if there are any stipulations in connection with the FEMA funds that were used to reconstruct the hangar.

Mr. Pawluk stated he would value Gen. Macdonald's perspective on the Guard's need potential as a tenant. He stated once we determine that the Guard does not need the building he feels we should advertise regionally as well as locally. He stated he believes there will be interest but we don't want to lease it out for \$500 a month. He stated if we need to hold it we will do so.

Chairman Anderson stated he agrees. He stated Mr. Pawluk mentioned waiting until we get an answer from the Guard but he does not know that we can do that. He stated he suggests we start advertising and even the interior finish work can be negotiated. He stated we are sitting on it right now waiting for the Guard to commit and they cannot commit. He stated it does not make sense for us not to proceed with advertising at least to see if there is interest.

At this point in the discussion, Mr. Dobberstein suggested adding Item #13 on the agenda (Discuss south general aviation hangars) to this discussion.

Mr. Dobberstein stated in his recent discussions with Mr. Jim Sweeney, Fargo Jet Center, there is the potential of Fargo Jet Center giving up the leases on Hangars #3 and #4, and possibly Hangar #9. He stated the administration building associated with Hangar #3 is also leased to Fargo Jet Center and they are currently subleasing it to the TSA.

Mr. Dobberstein stated if Fargo Jet Center does give up their leases he would be in favor of selling those hangars.

Mr. Dobberstein stated if Hangar #9 is vacated we still have a need to accommodate seasonal cargo operations for UPS, until such time in the future when they build their own facility on the airport. He stated on an \$800,000 hangar with a 20-25 year ground lease we should be getting at least \$5,000-\$5,500 per month in order to get a return on the investment. He stated that's what you would do in private business, but he added that he doesn't see anyone paying that much for a lease. He stated that is why he does not like to be in the hangar business, but in the case of these new hangars we could not turn down the funds available to rebuild the damaged hangars.

Chairman Anderson stated he feels we should start advertising for Hangar #2.

Mr. Pawluk stated we might consider taking proposals from realtors for the marketing of these facilities. He stated since it is such a specialized item it may be that not every commercial realtor would be poised to represent this interest well. He stated he feels a professional with experience in this area should be able to hook us up with more potential tenants than if we do it ourselves.

Mr. Kilander stated he is not sure how to respond to that. He stated it is such a specialized market that we might be able to do as good a job here as anyone in town could do, but maybe there are specialized firms around the country.

Mr. Pawluk stated we should be prepared for this process to take as long as two years before we find a tenant.

Mr. Dobberstein stated we could lease the building(s) out on a short term basis until a long term lease is signed or the buildings are sold.

Received Update on Hangar #2 Project: (Continued)

Mr. Dobberstein stated Fargo Jet Center originally leased Hangar #4 in anticipation of coming to terms with NDSU and their aeromanufacturing program, which has been put on hold.

Mr. Pawluk suggested that Mr. Dobberstein talk with Mr. Tony Grindberg, NDSU Tech Park, and make him aware of the space available. He added that these are fabulous facilities.

After further discussion, it was decided that at the next meeting Mr. Dobberstein should have a proposal before the board on his plans for marketing the building(s).

Received Update on South General Aviation Area Hydrant:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated at the last meeting he was instructed to come up with proposals for providing a hydrant and watermain extensions for the Air Museum. He stated he has been in contact with Sorns Engineering, who is doing the fire protection sprinkler system for the museum. He stated they will need an 8" watermain to the building, and an 8" watermain is what he is proposing for the fire hydrant as well.

Mr. Synhorst stated he talked to Norm Scott, Fire Marshal, and the fire hydrant was originally supposed to go between Vic's hangar and the museum. He stated you usually have 40-45 feet from a hydrant to a building so you can get to the hydrant if the building is on fire. Mr. Synhorst stated he is recommending the hydrant be placed south of the curb line and Mr. Scott agreed that would be a good location. He stated the rest of the watermain that would go north would go under the parking lot so we do not have to tear up the brand new curb and gutter. He stated this is the line the museum needs for their sprinkler system.

Mr. Synhorst asked if we are able to do this project with informal bids rather than the full bid process.

Mr. Dobberstein stated we do not need to go through the formal process for projects under \$50,000.

Mr. Pawluk stated we could satisfy the spirit of that requirement by requesting proposals from a number of contractors.

Mr. Synhorst stated he would contact every underground contractor in the area.

Mr. Synhorst stated the Airport Authority has agreed to provide the hydrant, and anything beyond that point would be to serve the museum's sprinkler system.

Mr. Pawluk moved the Airport Authority approve the plans and specifications as presented and that we proceed with the informal bid proposal for the fire hydrant and extended watermain.

Second by Mr. Kilander.

Mr. Synhorst stated this plans still needs Norm Scott's approval and he will leave it up to him where the hydrant is located.

Chairman Anderson stated he couldn't support the additional 90' of watermain for the museum sprinkler system.

Mr. Kilander stated he would like some more time to consider the matter.

Mr. Pawluk stated although the museum is a private, non-profit foundation, it operates well within the best interest of the airport. He stated we own the ground on which the museum is located and we would just be bringing the water line up to their building, we would not be bringing it

Received Update on South General Aviation Area Hydrant: (Continued)

into their building. He stated he can very comfortably support this and he does not feel this is a stretch at all.

Chairman Anderson stated he feels the additional 90' would be a contribution.

Mr. Synhorst stated he can still move ahead with the proposals and include line items for the work and the board can decide after proposals are received.

Mr. Pawluk withdrew his motion.

Mr. Kilander withdrew his second.

Chairman Anderson asked what would happen if we waited until spring. He asked Mr. Synhorst to check with the fire department to see if they will allow the museum to operate until spring without this.

Mr. Pawluk stated it's not like there is no fire protection in the area now.

Mr. Synhorst stated he will check with the fire marshal.

Approved Change Order #4 in the Amount of \$14,969.25 to NDANG Arm/Disarm Apron Project:

Mr. Steve Synhorst, Uteig Engineers, stated the ND Air National Guard is reimbursing the Airport Authority for the arm/disarm apron portion of Project AIP25. He stated based on concrete strength and concrete thickness the contractor will be getting a bonus in the amount of \$14,969.25. He stated the Airport Authority will be fully reimbursed for this item.

Mr. Kilander moved to approve Change Order #4 in the amount of \$14,929.25 to the NDANG Arm/Disarm Apron Project.

Second by Mr. Pawluk.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Received Update on Airport Construction Projects, Project Close-out Status:

Mr. Steve Synhorst, Uteig Engineers, stated Project AIP 25 consisted of the extension of Runway 8/26, extension of Taxiway C, north and south arm/disarm aprons, FAA glideslope road. He stated they have punch lists out waiting for the contractor, who is just about finished.

Mr. Synhorst stated as soon as all of the final items have been completed it is then his job to sit down with the contractor and negotiate the liquidated damages for the project not being completed on time last fall. He stated we are still holding \$20,000 on the electrical portion and \$20,000-\$30,000 on the general contract. He stated he is not getting a lot of response out of the contractor right now as they are busy with other things. He stated if he does not get a response soon he is going to write a change order for the liquidated damages deduction.

Mr. Pawluk stated this issue is now a year old and he would support Mr. Synhorst's position.

Mr. Kilander and Chairman Anderson indicated they agreed.

Mr. Synhorst stated the Taxiway A storm sewer project is pretty much complete and the construction went well, but the paperwork is slow.

Approved 2003 Airport Improvements Engineering Contract:

Mr. Dobberstein stated he provided the board members with information on the engineering contract for proposed 2003 airport improvement projects. He stated a copy has also been provided to Attorney Stewart for his review, as well as to Mark Bittner, City Engineer, to provide an independent engineer's review of the proposed costs.

Mr. Synhorst stated the proposed projects for 2003 include the reconstruction of Taxiway B between Taxiway D and the air carrier apron. He stated we did some patching of the area for the airshow but it is beyond rehabilitating. He stated the reconstructed area will have the strength to carry 727's, DC9's, etc., for air cargo operations. He stated we will also be reconstructing G-2 and move it south to line up with the end of Runway 17/35 after the reconstruction project. He stated the other item is to reconstruct G-4.

Mr. Dobberstein stated all of this work is being done in accordance with the Airport Master Plan, the approved Capital Improvement Plans for the past three years, and the pavement evaluations that have been conducted.

Mr. Dobberstein stated upon concurrence by the Authority, Ulteig will prepare plans and specifications for these items and advertise for bids in February.

Mr. Kilander moved to approve the engineering contract with Ulteig Engineers for the 2003 airport improvement projects, subject to approval by review of an independent engineer as required.

Second by Mr. Pawluk.

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

Approve Preliminary Engineering Contract for Runway 17/35 Reconstruction Project::

Mr. Dobberstein stated this is Ulteig Engineers' proposed contract for the Runway 17/35 Reconstruction Project. He stated this has not yet been reviewed by Attorney Stewart or an independent engineer.

Mr. Dobberstein stated this contract is for the preliminary engineering which needs to be done prior to the reconstruction of Runway 17/35, which hopefully will take place in construction season 2004. He stated he and Mr. Synhorst will be meeting with the ND Aeronautics Commission and the FAA Airports District Office in Bismarck next week to go over the overall plan for the project. He stated we need to get all of the proposed funding mechanisms in place by January 1 so the FAA can go to the regional FAA office for allocation of funds.

Mr. Pawluk moved to approve the preliminary engineering contract with Ulteig Engineers, Inc. for the Runway 17/35 reconstruction project.

Second by Mr. Kilander.

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

Received Bids on Flight Information Display System:

Mr. Dobberstein stated we advertised for bids locally in The Forum and also in the AAAE's publication and there was a lot of interest shown, however, we received only one proposal. He stated the one proposal was received from Cinergy Communications, which is currently providing the FID system in Rapid City, SD and Evansville, IN. He stated their bid was \$150,000, which is the amount we had budgeted in our current PFC application. He stated there are a number of questions and clarifications which Darren Anderson is working on before we have a recommendation for the board.

Mr. Darren Anderson stated bids were received just yesterday so he has read through the proposal but still has some questions.

The bids were received and filed without objection and the matter will be on the agenda for the next meeting.

Received Communication Regarding Hangar #9:

Mr. Dobberstein stated he received a communication dated October 4, 2002, from Mr. Jim Sweeney, Fargo Jet Center, requesting a two-month extension to their lease on Hangar #9, which expires October 31, 2002. He stated they would like the lease extended through December 31, 2002, so that they may accommodate the seasonal operation of United Parcel Service.

Mr. Pawluk moved to approve the request from Fargo Jet Center to extend the lease on Hangar #9 to December 31, 2002, and on a month to month basis after that.

Second by Mr. Kilander.

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

Discuss Possible Eastside Terminal Office Renovations/Additions:

Mr. Dobberstein stated the former restaurant space in the Eastside Terminal on the south end of the first floor has been vacant since the café operation ceased a number of years ago. He stated we advertised space available in the Eastside Terminal recently and we did not receive any inquiries. He stated the National Guard has used that area occasionally for special purposes. He stated from time to time we have interest from existing tenants for additional space. He stated we would need to do quite a bit of work in the old restaurant area before it could be occupied by a tenant.

Mr. Dobberstein stated he is proposing to have Foss Associates look at demolition of a wall, upgrading the lighting system, new carpet, etc., to get it into a presentable condition to lease. He stated his thought was that we could offer this space to the NDANG Family Support Unit, which is currently occupying gratis space on the first floor, and then lease the space they are in currently to Dakota Air Parts, who needs some additional space.

Mr. Dobberstein stated there is quite a bit of open public area on the main floor and he feels it is a waste of space. He stated he would like to consider putting up some walls and create some additional space for rent. He stated there is also a vacant garage area that could be converted to office space.

Discuss Possible Eastside Terminal Office Renovations/Additions: (Continued)

Mr. Dobberstein stated he would like Foss Associates to give us an idea of how much it would cost to renovate these areas.

Mr. Pawluk asked if there have been missed opportunities to lease space.

Mr. Dobberstein stated Dakota Air Parts would be leasing additional space today if it were available. He stated at a minimum he would like to renovate the restaurant area into a presentable condition.

Mr. Pawluk stated he feels it would be logical to renovate the restaurant area and in conjunction add the 500 square feet that would square off that space and tie that into what is now the Family Support Unit, assuming there is reasonable expectation that Dakota Air Parts would lease that space. He stated he does, however, think that it is nice to retain some of the open space in the building. He stated he knows there are occasions when that space is used by the Guard as well as other groups.

Mr. Dobberstein stated this is basically a preliminary proposal and Foss Associates will have a formal proposal prepared for the board at the next meeting.

Discussed Westside Terminal Lease Areas for TSA:

Mr. Dobberstein stated he has been working with a company called Equis, who was hired by the General Services Administration (GSA) hired on behalf of the Transportation Security Administration (TSA). He stated they have a solicitation for offers package he is completing for space in the Westside Terminal. He stated the area they plan to lease on the lower level includes two rooms in the former Frontier Airlines space, one for an office and one for the employee break room. He stated Northwest Airlines leases the remainder of the former Frontier space. He stated both Northwest and the TSA understand that if another airline begins serving Fargo they will have to vacate the space.

Mr. Dobberstein stated on the second floor they will take over the small office currently used by Globe Services, and also a portion of the security checkpoint where the magnetometer, x-ray, trace detection machines are located. He stated he is not sure how much of that space, if any, the TSA will be able to pay for, but the position of the airlines is that since the TSA will be taking over they should no longer be responsible for paying for the space. He stated there is legislation currently be considered to exempt the TSA for paying for that type of common use space.

Mr. Dobberstein stated the TSA lease requires that janitorial services be provided with the space, but the cleaning must be done when TSA employees are present. He stated he is going to propose that a private cleaning firm be given a contract to do that and it will be worked into their rental rate.

Received Third Quarter 2002 PFC Report:

Mr. Dobberstein distributed the PFC Report for the third quarter of 2002. He stated the majority of the carriers have increased the PFC charge for Fargo to \$4.50, of which they forward to us \$4.42. He stated the systems for some of the foreign carriers lag a bit behind.

Received Third Quarter 2002 PFC Report: (Continued)

Mr. Dobberstein stated the amount of money we are authorized to collect should be met by December 2004. He stated the first PFC application included the Cass County Drain #10 Project safety area for Runway 8/26 and after the flood of 2000 we changed the project and the drain was rerouted, which resulted in a lower cost for the project. He stated we collected the full \$850,000 we were authorized to collect but the project totaled just over \$200,000. He stated this will reduce our authorized collection period down to October 2003 so we will need to have another PFC application going before the first of the year so we do not miss out on any collection period. He stated time is of the essence for us to start another application. He stated we know we are going to need new loaders and also a new taxiway (Taxiway E). He stated the big project will be our estimated \$20 million runway reconstruction project. He stated we know we are going to commit two years of entitlement funds. He stated we can assume we will get something from the National Guard, but we do not know how much. He stated we will then be looking at \$10 to \$11 million in discretionary funding, and the chance of getting that much is slim to none. He stated we may get \$5 to \$7 million in discretionary funding. He stated the FAA has suggested that we roll the remaining uncertain balance into PFC funding. He stated if we finance \$2 to \$6 million of this project through a PFC we will then need to do some internal bonding.

Mr. Pawluk stated he does not know if it would be appropriate to dedicate all of the PFC funding toward the runway project when there are many other projects for which we would need to use PFC funds. He asked if putting only half of the PFC funding toward the runway project would hurt our chances at discretionary funding.

Mr. Dobberstein stated it may help us to get discretionary if our request is not too high. He stated the chance of getting discretionary funding for both 2004 and 2005 is not likely.

Mr. Dobberstein stated our goal is to have the entire project within the Runway 17/35 safety area done in the 2004 construction season. He stated part of the contract will be to identify some type of incentive, such as the bonus the highway department gives, for the contractor to get the project done that year. He stated the FAA would not participate in such an incentive.

Mr. Pawluk stated he is not sure we can't get the contractor to get the project completed, even without a bonus.

Chairman Anderson stated if the liquidated damages were high enough they would get the job done. He indicated this is a matter we can discuss further.

Other Business:

Mr. Emory Babolian, Fargo Aero Tech, was recognized and stated a while ago he talked to Mr. Dobberstein about some drainage problems where their new fuel tanks are going to be located.

Mr. Steve Synhorst, Ulteig Engineers, indicated they are going to do some smoke testing in the area to determine where everything is draining and if there are any drains that are plugged.

Mr. Babolian asked why they are required to fund the spill prevention requirements, as they are paying for everything else.

Mr. Dobberstein stated it has been the Airport Authority's policy that fuel farm owners are required to pay for whatever is necessary to meet all requirement and specifications.

Other Business: (Continued)

Mr. Pawluk stated his concern with the construction of the Fargo Aero Tech fuel farm and the spill containment system is where it will be located and the affect it will have on aircraft movement.

Mr. Synhorst stated he has provided a couple of plans to Fargo Aero Tech but he has heard nothing from them.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 22, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:45 a.m.

Regular Meeting

Tuesday

October 22, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 22, 2002 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present:: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: O'Keefe, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 8, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held October 8, 2002 were approved without objection.

Approved the Airport Vouchers Totaling \$27,499.18:

Mr. Pawluk moved to approve the airport vouchers totaling \$27,499.18.

Second by Dr. Clark.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$339.00 to Foss Associates for payment request for architectural services in connection with the Westside Terminal departure lounge/restroom project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$1,047.85 to Foss Associates for architectural services in connection with the Eastside Terminal modification options.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Border States Paving:

Gen. Macdonald moved to approve the individual voucher in the amount of \$689.02 to Border States Paving for payment request for paving in connection with Hangar #2 Project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Fargo Electric Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$928.00 to Fargo Electric Construction for payment request for repairs to Taxiway A security cable.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Johnson Controls:

Gen. Macdonald moved to approve the individual voucher in the amount of \$691.00 to Johnson Controls, Inc. for payment request for work in connection with the Taxiway A security cable damage.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Pipkorns of Oshkosh:

Gen. Macdonald moved to approve the individual voucher in the amount of \$15,561.00 to Pipkorns of Oshkosh for the purchase of two forward looking infrared device cameras for the North Dakota Air National Guard Fire Department.

Second by Mr. Kilander.

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

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

Continued Discussion Regarding South General Aviation Area Hydrant:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he sent out a request for informal proposals to the area underground contractors asking for two bid prices, one to install a hydrant extended from the water main, and the second is to bore under the parking lot to extend the water line further north into the general aviation area. Mr. Synhorst stated his letter indicated we were going to bid the project based on Bid #1. He stated Robert Gibb & Sons, Inc. was low bidder based on bid #1 in the amount of \$13,500.00, but not the overall low bidder for both items. The difference between their two bids and the next bidder (Master Construction) was \$2,610.

Mr. Pawluk moved the Airport Authority authorize the installation of the hydrant on the north side of the asphalt, 40 feet from the air museum building, and that we ask the contractor to begin the project.

Second by Gen. Macdonald.

Mr. Synhorst stated he asked for two prices so that the items could be broken out. He stated when you award a project you always have the option of awarding on base bid or base bid plus alternates. He stated sometimes contractors put all of their money into the base bid and raise the alternates. He stated he does not know why there would be a \$6,000 difference between the two low bidders on Bid #2.

Mr. Synhorst stated he can go back to the bidders and let them know that we changed the scope of the project and ask for new bids.

Chairman Anderson asked if we could wait with the project until spring.

Mr. Synhorst stated the fire department was very adamant that this hydrant needs to be in this fall, period.

Chairman Anderson asked how we can award the project to the overall low bidder, rather than just the low bidder on Bid #1, or should we have Mr. Synhorst go to Gibb and negotiate the amount of Bid #2.

Chairman Anderson stated he feels we should accept Bid #1 and let Mr. Synhorst negotiate with Robert Gibb & Sons on Bid #2 and then he and Mr. Dobberstein can make an administrative decision following the negotiations.

Mr. Dobberstein stated he feels we should place the hydrant where it belongs along 19<sup>th</sup> Avenue, and the 90 foot extension installed with the intent that it be the start of a main that will serve the north part of the south general aviation area, and the museum will be allowed to tie into that extension for their sprinkler system. He added that the second phase of the Air Museum could require a hydrant on the northwest corner of the current hangar.

Mr. Pawluk withdrew his motion.

Gen. Macdonald withdrew his second.

Gen. Macdonald moved the Airport Authority accept the recommendation of the Executive Director and award Bid #1 and authorize Mr. Synhorst to negotiate with Robert Gibb & Sons on Bid #2.

Second by Mr. Pawluk.

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

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

Continued Discussion Regarding South General Aviation Area Hydrant: (Continued)

Later in the meeting Mr. Synhorst reported that he talked to Mr. Gibb on the phone during the meeting and he agreed to drop their Bid #2 by \$1,860.00, making the total bid \$20,000.

Gen. Macdonald moved to proceed with Bid #2 as a change order in the amount of \$1,860.00.

Second by Mr. Kilander.

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

Metro COG Presentation Regarding Transportation Survey:

Mr. Wade Kline, Community Development Planner with Metro COG, was recognized and provided some information on Metro COG and the Metropolitan Transportation Plan (MTP).

Mr. Kline stated Metro COG is a federally designated entity given the population of our metropolitan area. He stated their role is to ensure that all of the local municipalities prioritize and plan for transportation improvements. He stated one of their federally mandated requirements is that every five years they put together a Metropolitan Transportation Plan identifying short and long term improvements. He stated these transportation improvement projects do affect the airport.

Mr. Kline stated in the process of completing the MTP they are trying to reach a broader audience. He stated Metro COG wants to do a better job of reaching out to the many varied interest groups of the community. He stated they currently have an on-line survey on their website they are encouraging people to complete. He stated they are also holding public input meetings. He stated Metro COG is definitely interest in the airport's input.

Mr. Pawluk stated the Cass County #20 bridge over the Red River is scheduled to be reconstructed in 2004, as well as the Main Avenue bridge and the I-94 bridge. He asked if that does not concern Metro COG.

Mr. Kline stated it does concern them and the Departments of Transportation from the two states are starting to think about that.

Mr. Pawluk stated he is concerned about how the airport customers from Minnesota are supposed to get here. He stated it is also his understanding that County 20 will be closed for construction in 2005. He asked why the bridge and the road construction aren't going to be done the same year.

Mr. Dobberstein stated he would imagine it would have something to do with funding. He asked who are the lead agencies on those projects.

Mr. Kline stated the County 20 bridge would be the State of Minnesota, I-94 would be the State of North Dakota, and Main Avenue would be a combination of entities.

Mr. Pawluk stated as an Airport Authority member he is concerned about the public's access to the airport, but as a citizen of the community he is concerned about how people are supposed to move around town.

Mr. Kline stated they have been discussing how the two Departments of Transportation will work together and with the media to keep the public informed about what is going on. He stated Metro COG will be working with all of these entities on the public information.

Metro COG Presentation Regarding Transportation Survey: (Continued)

Mr. Kilander stated he feels Mr. Pawluk's comment on the two years for the projects on County 20 is valid.

Mr. Dobberstein stated Metro COG was the lead agency on the County 20 discussions that went on for a couple of years.

Mr. Kline invited the board members to fill out the survey and that they encourage others to do the same.

Continued Discussion Regarding Flight Information Display System Bid:

Mr. Dobberstein stated at the last meeting we received information on the bids for the Flight Information Display System, for which we received only one bid. He stated after further review of the bid with Cinergy Communications, Mr. Darren Anderson has received a revised cost summary. He stated they have lowered their cost from \$150,000 to \$130,800.

Mr. Darren Anderson stated in the initial bid they figured in the cost to provide the internet feed and phone lines but those are already in place. He added that the cost summary shows \$1,000 per month for the monthly service fee starting with month 25. He stated when that time comes we should see that amount drop as more airports buy into this system.

Mr. Dobberstein stated the Sioux Falls airport did something with their FIDS that allows the cable channels to tie into it. He stated we could do the same and it may be a revenue source for the airport.

Mr. Kilander stated even if it was a wash it would be a tremendous marketing tool for us.

Mr. Pawluk stated he likes the idea of this system in the terminal and also on the website and cable television. However, he is concerned that we received only one bid. He stated the way he reads it, we will be obligated to pay the \$1,000 monthly fee. He stated the price has already come down and he feels if we wait another year technology should advance and the price should come down even more.

Chairman Anderson asked where the money comes for this project.

Mr. Dobberstein stated this project was included in a PFC application and we are allowed to collect up to \$150,000.

Gen. Macdonald moved to approve the awarding of the contract for the Flight Information Display System to Cinergy Communications, based on their bid of \$130,800.

Second by Mr. Kilander.

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

Pawluk voted no.

The motion was declared carried.

Mr. Lynch now absent.

Received Communication from Bernie Ness Regarding Ground Lease for South General Aviation Area Building:

Mr. Dobberstein stated he received a request dated October 21, 2002 from Mr. Bernie Ness, requesting a five-year ground lease for the existing Avis service facility in the southeast general aviation area.

Mr. Dobberstein stated we received a request a few months ago to put together a ground lease for the existing National and Avis service facilities in the southeast area of the airport. He stated the board recently approved a five-year ground lease with a five-year option for Mr. Lamb.

Chairman Anderson stated he attended an airport seminar last week and two of the biggest items he gained for Airport Authorities was protecting the airport in terms of land, and the aesthetics of the airport itself.

Mr. Dobberstein stated the lease with Mr. Lamb states

“Lessee, at its 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 and 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 30 days 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 at their respective expense. If the two independently selected architects are unable to reach agreement as to the necessity and extent of the repair or maintenance required, they shall select a mutually agreed upon architect with the cost of the third architect to be shared equally by Lessor and Lessee. The decision of a majority of the three architects shall then be binding upon the parties.”

Mr. Dobberstein stated the lease has been drafted. He stated Mr. Ness has reviewed the lease and has no problem with it. He stated the lease will be for 2,711 square feet at eight cents per square foot for a total of \$216.88 per year.

Mr. Pawluk asked about all of the vehicles that are parked around the building. He stated this happens to be a building that the Airport Authority on several occasions has indicated they would like to see demolished. He stated it has been his interpretation all along that a lease would not be offered on this building. He stated he feels the building is long beyond its useful life. He suggested the matter be tabled and that all of the board members drive by the building before making a decision.

Mr. Dobberstein added that if the lease is approved it would be retroactive to the date in July when they occupied the AutoBAHN facility. He stated he is confident that Mr. Ness will live up to the standards required. He stated it is too late in the season to paint the building this year.

The matter was tabled until the next meeting after the board members have had a chance to look at the building.

Continued South General Aviation Area Hangar #2 Discussion:

Mr. Dobberstein stated at the last meeting we discussed Hangar #2 and the uncertainty as to whether the National Guard was going to lease the facility for the drug helicopter unit. He stated he talked to Gen. Haugen last Friday and he indicated they will forego the occupancy of that hangar at this time, due to the uncertainty of their funding. He stated that opens up some of the options that we discussed.

Mr. Dobberstein stated we can now advertise that hangar for lease for an aviation related business. He stated we can market the hangar locally as well as regionally. He stated we can request proposals without identifying a minimum monthly lease amount or we can establish a monthly minimum.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated the need for the hangar will definitely be from someone locally. He stated he feels a local firm would be best suited to market the building.

Mr. Dobberstein stated we do have a tenant in the Eastside Terminal who has indicated some interest in the hangar, but he feels this hangar would be more than he needs.

Mr. Dobberstein stated in his discussion with Gen. Haugen, he indicated they do have an interest in leasing Hangar #9 after the first of the year for the drug helicopter unit and mobility command. He stated they can offer \$1,400 a month. He stated we recently extended Fargo Jet Center's lease through December 31, 2002. He stated he told Gen. Haugen we would probably seek proposals for the leasing of the building. He added that there has been some other interest in that hangar. He asked Mr. Sweeney if they still plan to give up that hangar at the end of the year.

Mr. Sweeney stated that is the plan unless something comes up.

Mr. Pawluk stated it would be nice to be out of the hangar ownership business, but on the other hand, it is nice to have some space available when opportunities present themselves, such as a new cargo operation.

Mr. Dobberstein agreed it is important not to jeopardize our capabilities for UPS, and Hangar #9 has worked out well for their seasonal operations.

Chairman Anderson stated if we are going to market Hangar #2 for lease we should do it right and enlist the help of a professional.

Mr. Kilander stated if we are going to retain a commercial realtor we will need to give them some direction as far as lease amount or sale price.

Mr. Dobberstein stated he will prepare a request for proposals and send to the major commercial realtors in Fargo-Moorhead.

Gen. Macdonald stated it appears to him that he would like Hangars #3 and #4 sold before Hangar #2.

Chairman Anderson stated he does not think we have to put a restriction that one building has to sell before another. He stated we could include Hangars #3 and #4 as well.

Gen. Macdonald stated the reason he would rather retain Hangar #2 because it is the only one on the south general aviation area that will accommodate regional jets.

Mr. Dobberstein stated Fargo Jet Center still has Hangar #3 under lease through April 2004.

Chairman Anderson stated he does not feel the Airport Authority needs to have an empty hangar available at all times. He stated he would like to see us out of the lease business, as he feels it puts us in competition with other owners on the airport.

Mr. Pawluk stated he does not disagree with Chairman Anderson, but it may allow opportunities by having the space available.

Received Update Regarding Proposed Eastside Terminal Modifications:

Mr. Dobberstein stated we have been working with Foss Associates trying to identify the absolute bare minimum as far as renovations to the Eastside Terminal to make additional revenue producing space.

Mr. Dobberstein stated when the café closed several years ago the space was gutted and has been used occasionally by the Guard for various functions on a gratis basis. He stated it is difficult to show prospective tenants the space in its present condition. He stated it definitely needs to be renovated in order to be used as possible revenue producing space in the future.

Mr. Dobberstein stated Foss has broken down the recommended renovations into five separate projects.

#1 – Café area

New carpet, new lighting, different electrical structures, removal of some of the previous mechanical system.

#2 – Open Public Area

He stated there have been groups that have used the open public space for various functions, but some of those groups have now moved to the Air Museum. He stated we could construct walls to create some additional office space or a first floor conference room. He stated if the space is not leased right away it could be used as a conference room until it is leased.

#3 – Space on the far north end

Mr. Dobberstein stated in this area we could divide this area into two separate office areas to lease. He stated it is possible that AvSupport/Dakota Air Parts would be interested in leasing that area.

#4 – Garage area

He stated this area is presently used as janitorial storage area but it could be modified to create office space.

#5 – Replace door to meet fire code

He stated this is something we have to do regardless of whether or not we do any of the other projects. He stated there is a corridor door that is too narrow to meet fire code and the estimate on that project is \$5,700.00. He stated we will get informal bids on that item.

Mr. Pawluk asked Mr. Dobberstein if he would like to do all of these projects at once or if he would like to complete them in phases.

Mr. Dobberstein stated he would like to do them in phases. He would like to get the café area done as that is the largest area. He stated the order of priority would be #5, #1, #3, #2 and #4.

Mr. Pawluk stated all of the space is currently leased so if there is a need for a current tenant to have more space he feels we should go ahead.

Mr. Dobberstein stated no one will rent space in its existing condition.

Chairman Anderson stated he would like to go look at the building and also see some figures on payback before making any decisions.

Mr. Pawluk stated the prime tenant is currently the FAA and he wouldn't be surprised to see the TSA locate there in the future.

Received Update Regarding Proposed Eastside Terminal Modifications: (Continued)

Mr. Kilander stated he is concerned that we would just be adding to the hodge podge and maybe we should look at doing some relocating of tenants and making larger spaces which may be more attractive to tenants.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated he has spent a lot of time in the Eastside Terminal and feels Mr. Kilander's comment is valid. He stated he feels if the space were remodeled there would be a lot of interest.

After further discussion, it was decided that all board members would tour the Eastside Terminal following the meeting.

Authorized Preparation of PFC Application #6:

Mr. Dobberstein stated he and Mr. Steve Synhorst, Ulteig Engineers, met with the FAA Airports District Office and the North Dakota Aeronautics Commission airport planner last week in Bismarck. He stated they went there to meet about the details surrounding the engineering report and plan for the Runway 17/35-reconstruction project. He stated the reason these two items tie in is that the collection time for our existing PFC will be shortened from December 2004 to October 2003, due to the \$600,000 left over due to the change in the County Drain #10 safety area project. He stated in order to avoid a lapse in our collection authority we need to get started now on our next PFC application.

Mr. Dobberstein stated he has visited with Wes Schon, Ulteig Engineers in Sioux Falls, who has assisted us in our other PFC applications. He stated we need to determine what items will be included. He stated some of the items that have been identified are new front end loaders, a runway friction tester, runway sweeper. He stated one of the big ticket items on our Capital Improvement Plan is the reconstruction of Runway 17/35, which has increased in cost after our discussions with the FAA. He stated the project is now estimated at \$25 million, and some of the increase in cost is due to the amount of money they want us to set aside to replace the nav aids. He stated that has increased from \$1 million to \$3 million. He stated we may be required to dedicate three years of entitlements to this project. He stated hopefully we will have some participation from the NDANG. He stated with those items taken into consideration we will be looking at requesting about \$14 million in discretionary dollars and the chance of getting that in one year is slim to none. He stated we may have a potential for discretionary in 2004 and we may be able to justify some in 2005. He stated if not, the FAA is going to be looking at how much in local funding we are willing to contribute. He stated we may need to identify \$5-\$8 million in our PFC funds.

Mr. Dobberstein stated the estimated cost for the PFC application is \$10,000-\$11,000 and is 100% recoverable through PFC funds, and it is important that we get started on the application right away. He added that he sees no way around us not going out an retaining bond counsel to fund the project until the PFC funds are collected.

Mr. Kilander moved to authorize Ulteig Engineers, Inc. to begin PFC Application #6.

Second by Dr. Clark.

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

Authorized Attendance at the Annual AAEE Airport Conference, Chicago, IL, November 13-14, 2002:

Mr. Dobberstein stated Darren Anderson is planning to attend this annual AAEE Airport Conference in Chicago.

Gen. Macdonald moved to authorize attendance at the Annual AAEE Airport Conference in Chicago, November 13-14, 2002.

Second by Mr. Kilander.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 12, 2002, at 8:00 a.m.

Time at adjournment was 9:48 a.m.

Regular Meeting

Tuesday

November 12, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 12, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Pawluk, Anderson  
Absent: Kilander, Clark  
Others: Stewart, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 22, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held October 22, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$29,817.76:

Mr. Pawluk moved to approve the airport vouchers totaling \$29,817.76.  
Second by Gen. Macdonald.  
On the call of the roll, members Macdonald, Pawluk and Anderson voted aye.  
Absent and not voting: Kilander, Clark  
The motion was declared carried.

Approved the Individual Voucher to Landscape Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$550.00 to Landscape Associates for payment request for service on tree planting project.

Second by Mr. Pawluk.  
On the call of the roll, members Macdonald, Pawluk and Anderson voted aye.  
Absent and not voting: Kilander, Clark  
The motion was declared carried.

Approved the Individual Voucher to Johnson Controls, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$24,755.00 to Johnson Controls, Inc. for Payment Request #2 for Access Systems Upgrade, Project AIP 27.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,377.00 to Bergstrom Electric for Payment Request #4 for electrical portion of departure lounge/restroom project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

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 \$2,639.59 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP28.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

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 \$774.64 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension and West Perimeter Road, Project AIP 25.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,321.17 to Flint Communications for payment request for 2002 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Border States Paving:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,849.25 to Border States Paving for payment request #11 (Final) for parking lot expansion project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Hansen Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,132.50 to Hansen Design Associates for payment request for architectural services in connection with the airport tree master plan.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved Change Order #1 to Rising Sun Construction for Taxiway A Drainage Project:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated this change order contains two items. The first item involved crossing a sanitary sewer and a water main due to some elevation problems. He stated in order to raise the water main we would have had to shut down the water to the terminal and the tower since there was only one gate valve. He stated they installed another gate valve so that we had another place to shut it down so that they were able to get the water main raised. He stated the amount of this portion was \$5,358.

Mr. Synhorst stated the second portion of this change order was to repair a manhole at a cost of \$3,300.

Mr. Synhorst stated the total for both items was \$8,658 and is eligible for AIP funding. He stated both items were required in order to meet safety requirements for using Taxiway A as the main runway when Runway 17/35 is reconstructed. He stated the items have been completed.

Mr. Pawluk moved to approve Change Order #1 in the amount of \$8,658 to rising Sun Construction for the Taxiway A Drainage Project.

Second by Gen. Macdonald.

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

Approved Payment Request #3 (Final) in the Amount of \$28,618 to Rising Sun Construction for the Taxiway A Drainage Project:

Mr. Steve Synhorst, Ulteig Engineers, stated the Taxiway A Drainage Project is now complete and final payment request has been submitted.

Gen. Macdonald moved to approve Payment Request #3 (Final) to Rising Sun Construction for the Taxiway A Drainage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved Change Order #1 to Security Access Upgrade Project (AIP27):

Mr. Dobberstein stated the Security Access Upgrade Project (AIP27) is 100% federally funded. He stated this project upgrades our current Johnson Controls system. He stated Johnson Controls subcontracted with Modern Electric for some of the electrical work and after getting started on the project they found some problems with broken conduit that required repairs. He stated this resulted in an additional \$4,170.00.

Gen. Macdonald moved to approve Change Order #1 in the amount of \$4,170.00 to the Security Access Upgrade Project (AIP27).

Second by Mr. Pawluk.

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

Received Communication Regarding Barnstormer Restaurant:

Mr. Dobberstein stated he provided the board members with a copy of the first page of a petition with 346 signatures from patrons and employees of The Barnstormer requesting that the bar continue to be a smoking area. He stated he also provided the board members with copies of past minutes and discussions the board has had regarding making the terminal building smoke-free. He stated the matter was also addressed in the survey conducted by the NDSU students as part of the restaurant-remodeling project. He stated all of the students involved in the project recommended it be entirely no smoking.

Mr. Pawluk moved the Airport Authority direct that the entire Westside Terminal be designated "Smoke Free" once the restaurant-remodeling project is complete.

Second by Gen. Macdonald.

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

Received Update from Foss Associates Regarding Current and Proposed Projects:

Mr. Dobberstein stated the projects to be reviewed are the departure lounge/restroom project, the restaurant remodeling, and the proposed renovations to the Eastside Terminal. He stated Mr. Bill Cowman and Ms. Shelley Richards, Foss Associates are present.

Mr. Cowman distributed the latest estimated cost of construction for the restaurant project. He stated they met with Pete Haug last week and they have all of the issues on the is project addressed and resolved. Mr. Cowman stated the Airport Authority set a budget range of \$400,000 for this project. He stated the current estimate is \$413,000. He stated when the project was last presented to the board the estimate was \$467,000, and the board directed them to meet with Mr. Haug and come up with some items that could be trimmed.

Mr. Cowman stated one of the major changes that took place was to keep the existing bar. He stated it was kept in the project as an alternate in the event the bids come in low enough. He indicated this was not a high priority for Mr. Haug. He stated another item was the rolling grille security gates, one in the deli area and the other separating the restaurant and deli area. He stated these are not necessary and should cut \$12,000-\$13,000 in cost.

Ms. Richards reviewed the proposed plan for the restaurant. She indicated this plan incorporates the recommendations of their food service consultant.

Received Update from Foss Associates Regarding Current and Proposed Projects: (Continued)

Mr. Pawluk stated the plan shows some open wall areas and he asked if this might be an appropriate place to consider a display area for some of the historic artifacts relating to the early days of Hector Airport.

Ms. Richards asked what type of artifacts.

Mr. Pawluk stated he is not certain of everything they have, but we have been discussing having some type of display case for these items. He asked the other board members what they thought.

Gen. Macdonald stated he would not have any objection to that. He stated the areas for such a display are limited.

Chairman Anderson stated the wall along the walkway in the restaurant might not be the ideal space since it might cause a bottleneck in a traffic lane. He stated he does like the idea.

Mr. Cowman stated they are in the process of working on the construction documents. He stated he would like to have the bid opening December 17 or 19. He stated Mr. Haug originally wanted to wait until after the 2003 charter season to begin construction, but now they are looking at a January start, and they will be phasing the project, starting with the fast food area.

Mr. Pawluk stated he thinks this plan looks great and he will be excited to see it happen.

Mr. Pawluk moved to authorize the completion of plans and specifications, and to begin the bidding process, including the alternate for the bar.

Second by Gen. Macdonald.

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

Mr. Cowman stated the restrooms in the departure lounge should be finished by the end of this week. He stated they are looking at the checkpoint area to be completed by November 22, so the entire project should be completed before the Thanksgiving rush.

Mr. Dobberstein stated Mr. Kilander had some extensive suggestions for the proposed renovations of the Eastside Terminal and since he is not here today he would like to delay that discussion until Mr. Kilander returns.

Gen. Macdonald stated his main comment is that there is way too much empty space in the Eastside Terminal, but how to efficiently use the space with the way the building is laid out is the question. He stated he liked Dr. Clark's ideas about modular, moveable walls and being able to accommodate different tenants without a lot of trouble.

Mr. Cowman stated one approach would be to identify the probable and potential tenants for the building and you could then come up with a system that would allow flexibility to accommodate various sized tenant uses. He stated if you look at the incubator downtown, the concept there is a number of small tenants with some central clerical space that supports all of those tenants.

Chairman Anderson stated he would like to wait until we have a full board to discuss this.

Mr. Pawluk stated he thinks January would be a good time for the board to take a look at this.

Gen. Macdonald suggested that we request a letter of intent from each of the tenants of the Eastside Terminal and also ask them for their input.

Received Update from Foss Associates Regarding Current and Proposed Projects: (Continued)

Mr. Pawluk stated as an Airport Authority we need to decide what we want the Eastside Terminal to be both now and in the future. He stated if we don't want to spend any money on it we don't have to, but pretty soon we won't have anything over there. He stated there are some things that need to be done on the exterior as well. He stated he does not know if we want to tie the outside items together with the inside project and if we do we are then looking at a sizeable amount.

Chairman Anderson stated from a business standpoint, he stated it would take us a long time to see the payback on such a project. He stated on the other hand we probably don't want to leave it as it is.

Gen. Macdonald stated he agrees with Chairman Anderson that some of the mechanical and electrical items in the old restaurant area should be done regardless of what is done with the rest of the building.

Mr. Pawluk stated he would like an estimate from Foss Associates to do an overall evaluation of the entire building.

Mr. Dobberstein stated that Mr. Patrick deLaPointe, Foss Associates, has some of that evaluation done from the recent reroofing project.

Mr. Cowman stated Mr. deLaPointe would be available to discuss this at the next meeting.

Received Proposals for Hangar #2 Marketing Options:

Mr. Dobberstein stated we put out an informal request for proposals from the commercial real estate firms in Fargo and received proposals from two firms, Goldmark and Coldwell-Banker. Mr. Dobberstein stated Mr. Kilander and Dr. Clark have not yet seen these proposals.

Mr. Pawluk asked Mr. Jim Buus, Goldmark, how he planned to market the hangar.

Mr. Buus stated he did not put a lot of detail on that in his proposal. He stated he talked with Mr. Dobberstein and indicated that this is a unique project for them, as they have not worked with airport hangars before. He stated they certainly plan to do some research on marketing aircraft hangars.

Chairman Anderson stated both companies submitting proposals are reputable firms and asked the board how they wished to proceed.

Mr. Pawluk asked Mr. Dobberstein if he has a preference between the two companies.

Mr. Dobberstein stated he does not have a preference. He stated this is a unique project and there are not many firms with experience in this area.

Mr. Pawluk stated typically he likes to take care of things right away, but on this he would like to defer this until the next meeting. He stated we have a real estate agent on the board and he may have valuable input on this matter.

Gen. Macdonald indicated he has no problem with that.

Mr. Dobberstein stated we can invite both firms to the next meeting for a questions.

Receive Communication from Fargo Jet Center Regarding Hangar #4:

Mr. Dobberstein stated Hangar #4 is the heated portion of the hangar on the south ramp. He stated we received a letter from Fargo Jet Center dated November 7, 2002, requesting their current lease on Hangar #4 be extended through December 31, 2007. He stated he also received a letter from Fargo Aero Tech dated November 8, 2002, expressing interest in the same hangar.

Receive Communication from Fargo Jet Center Regarding Hangar #4: (Continued)

Mr. Dobberstein stated we also received a letter from Dakota Air Parts in August indicating an interest in any hangar space available.

Mr. Dobberstein stated Fargo Jet's lease is on a month to month basis and they have been paying \$400 per month and are responsible for taxes, heat, repairs, etc. He stated if the board did extend the lease to Fargo Jet Center he would not recommend extending the lease beyond the term of their lease on Hangar #3, which is through April 2004.

Mr. Dobberstein stated since there is multiple interest the board has the option to take proposals.

Mr. Pawluk asked how much it would cost to add heat to Hangar #3.

Mr. Dobberstein stated the estimated cost was \$16,000-\$20,000.

Gen. Macdonald stated maybe we should add heat to the side leased by Fargo Jet Center and lease the other half to Fargo Aero Tech.

Chairman Anderson stated he feels we should request proposals.

Mr. Pawluk stated he agrees we should request proposals.

Gen. Macdonald stated there are three new hangars being built at the Casselton Airport and he heard Kindred is building a couple. He stated he does not believe those are all new aircraft owners. He stated he feels they are probably moving from someplace and he has a terrible feeling it may be from Fargo. He asked what we are doing wrong and is the rent in Fargo too high. He stated he is concerned we may price general aviation off the airport. He stated he does not know the answer. He stated he is not sure how hangar rent compares. He stated the Airport Authority needs to make sure that our terms with our FBOs are such that they can make money and survive in the small aircraft business, unless we don't want to be in the small aircraft business.

Mr. Pawluk stated that is the catch as he sees it. He stated there really is no private hangar space on the airport, all of the private hangar space is used up. He stated we have large blocks of hangar space primarily owned by the Airport Authority but also owned by Fargo Jet Center, which is used in their operation. He stated Fargo Aero Tech has some hangar space, which they use in their operation. He stated he has people who call him looking for hangar space to buy. He stated there are private hangars available and the cost of construction is so great. He stated when they build in Fargo they have to comply with all of the city building codes. He stated it costs less to build a hangar at a smaller airport than it does in Fargo, so they weigh all of that and some people do choose to be here. He stated with the exception of a couple of spots where hangars could be built, the south general aviation area is pretty much full. He stated he thinks he could sell his hangar tomorrow if he wanted.

Mr. Jim Sweeney, Fargo Jet Center, stated they own two T-hangars on the north end and they have hangar space available. He stated no one has ever approached him regarding buying a unit but he would consider that.

Gen. Macdonald asked Mr. Sweeney if he felt general aviation was being driven off the airport.

Mr. Sweeney stated there is definitely an excess of hangar space on this field, but he feels the people who want to be in Fargo will be here and will pay a reasonable price. He stated he does not think there are any unreasonable prices. He stated we certainly are not competitive with

Receive Communication from Fargo Jet Center Regarding Hangar #4: (Continued)

Moorhead because those hangars are subsidized by the City of Moorhead.

Mr. Dobberstein stated those hangars are heavily subsidized.

Mr. Pawluk stated the airport has not really done anything to market itself to general aviation. He stated we have relied on the FBOs to do that. He stated we accommodate them but we do not really do anything to market them. He stated he is not sure if it is perception or reality that it costs more to be here. He stated he is not sure that everyone knows that there are at least 20 tiedown spaces on the south end for which there is no charge.

Chairman Anderson stated we are currently getting \$400 a month for a \$700,000 facility and that is certainly not a payback for the Airport Authority.

Gen. Macdonald stated we can't talk about payback, we have to talk about the market.

Chairman Anderson stated it is his contention that we should not even be in the hangar leasing business. He stated we are not going to solve that issue today.

Mr. Sweeney stated when the Airport Authority received the insurance money to build the new hangars on the south ramp, it was their intention to lease Hangar #4 until NDSU had the A&P mechanic school program established. He stated they have been paying rent on the hangar since that time and have used it on and off. He stated they certainly have a use for it now with the winter months coming and need the space for the business and their fleet. He stated they would like to agree on a reasonable rate to lease Hangar #4.

Mr. Pawluk stated since we have multiple people expressing interest we should accept proposals.

Chairman Anderson agreed.

Gen. Macdonald stated we could meet the needs of both parties without creating a big free-for-all.

Mr. Pawluk stated he couldn't agree more and the way we do that is accept proposals, then we will see where the interest lies. He added that he even knows of a couple of people who may be interest in buying either Hangar #4 or #2.

After further discussion, Mr. Pawluk moved that the Airport Authority receive proposals for a period of at least 30 days for the sale or lease of Hangar #2 and/or Hangar #4, with a minimum five year term for a lease, with proposals to be received in January.

Second by Gen. Macdonald.

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

Chairman Anderson stated we will then wait on the proposals from real estate firms.

Received Communication from Flint Communications Regarding Proposed 2003 Marketing Program:

Mr. Dobberstein stated Flint Communications has provided us with the proposed 2003 marketing program for our review. He stated Christy McLachlan will be at the next meeting to review the program.

The proposed 2003 marketing program from Flint Communications was received and filed without objection.

Mr. Pawluk asked how committed is the Authority on continuing the marketing program at the same level.

Chairman Anderson stated he is committed.

Received Communication from Flint Communications Regarding Proposed 2003 Marketing Program: (Continued)

Gen. Macdonald asked Mr. Pawluk if he was looking at more or less.

Mr. Pawluk stated he was thinking less.

Gen. Macdonald stated he would not be in favor of less at this time.

Chairman Anderson stated he can discuss the matter at the next meeting.

Received Update Regarding Fargo Aero Tech's Fuel Farm:

Mr. Dobberstein stated Mr. Emory Babolian, Fargo Aero Tech, is present at the meeting. He stated the fuel tanks are in place and they are submitting documents to the FAA Airports District Office in Bismarck for an airspace review to install the Phillips sign. He added he does not foresee any problem with that study.

Mr. Babolian was recognized and stated they hope to be operating by the end of this month.

Continued Discussion Regarding Ness Building Ground Lease Request:

Mr. Dobberstein stated at the last meeting the board received a request from Mr. Bernie Ness for a ground lease on the Avis service facility in the southeast area. He stated the board tabled the item until the board members had a chance to take a look at the building. Mr. Dobberstein stated he has no problem with the request from Mr. Ness for a five-year ground lease and he trusts that Mr. Ness will put the facility into an aesthetically acceptable condition.

Gen. Macdonald stated he did not drive by the building today, but he will not vote in favor based upon what we saw three weeks ago.

Mr. Pawluk stated he feels that building is well past its design life. He stated it has been his expectation all along that it would be demolished once they moved into their new facility. He added that he has seen the building in the last couple days and he has not seen any change.

Mr. Dobberstein stated as far as the wrecked cars, there are occasions when cars will sit there until the insurance claim has been settled. The alternative is to have the wreck parked by the new facility or in the car rental parking lot.

Chairman Anderson stated we could approve the request, based on the condition that the required maintenance is done.

Mr. Pawluk stated he would not do it that way.

Mr. Dobberstein stated the lease contains a clause that the lessee agrees to maintain and repair the property.

Mr. Pawluk stated he does not want to pull the rug out from Mr. Ness, but unless he sees some improvement to the degree that is appropriate with all of the other improvements that have been done by the Airport Authority in the south general aviation area he feels the building should be demolished.

Gen. Macdonald stated he would hate to vote against the request because he is not sure if anything has been approved.

Gen. Macdonald moved to table the request from Mr. Ness.

Second by Mr. Pawluk.

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

Received Communication from Hertz Regarding Status of South General Aviation Area Building:

Mr. Dobberstein stated we received a communication dated October 22, 2002 from Mr. Steve Hansen, Hertz, concerning the status of the former service facility in the southeast area. He stated Hertz has always indicated that when they occupied the new service facility they planned to demolish the existing facility.

In his letter, Mr. Hansen requested an extension until January to provide an answer regarding their former service facility.

Gen. Macdonald stated he would have no objection to that.

Mr. Pawluk stated he feels this problem will solve itself. He stated that is another building that has been slated for demolition and waiting until January will not matter.

The matter was tabled.

Approved Contract with Cinergy Communications for FIDS Installation:

Mr. Darren Anderson stated he has been working with Attorney Stewart and Cinergy Communications' attorney regarding some matters with the final contract for the installation of the Flight Information Display System and the contract is now in order.

Attorney Stewart agreed everything was in order and the contract could be approved.

Mr. Pawluk moved to approve the contract with Cinergy Communications for the installation of the Flight Information Display System, and authorized the issuance of a notice to proceed, subject to final approval by Attorney Stewart.

Second by Gen. Macdonald.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 26, 2002, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:30 a.m.

Regular Meeting

Tuesday

November 26, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 26, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Clark, Pawluk, Anderson  
Absent: None  
Others: Stewart, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 12, 2002:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, November 12, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$28,422.78:

Mr. Pawluk moved to approve the airport vouchers totaling \$28,422.78.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$992.41 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal study.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$2,638.00 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Macdonald, Clark, Pawluk and Anderson 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 \$890.62 to Foss Associates for payment request for architectural services in connection with the departure lounge / restroom project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,366.72 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension, and West Perimeter Road Project, AIP 25.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,939.80 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, Macdonald, Clark, Pawluk and Anderson voted aye.

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

Approved the Individual Voucher to HCI:

Gen. Macdonald moved to approve the individual voucher in the amount of \$42,937.00 to HCI for payment request for tree planting project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Cinergy Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$25,000.00 to Cinergy Communications for Payment Request #1 for Flight Information Display System, Project APFC05.

Second by Mr. Kilander.

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

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

Continued Discussion Regarding 2003 Airport Marketing Program:

Mr. Dobberstein stated at the last meeting we received a proposed budget from Flint Communications for our 2003 marketing program.

Ms. Christy McLachlan, Flint Communications, was recognized and introduced Maureen Olson, Audio Visual Director for Flint Communications.

Ms. McLachlan stated they are proposing to add television into the mix. She stated we have been doing live interactive radio for the past two years and while they believe they are effective, they feel they have reached everyone in that audience and we need to reach out to a new audience. She stated we will reach a much wider audience which will include Jamestown, Grand Forks, Devils Lake, Thief River Falls, Roseau.

Ms. Olson reviewed the ideas they have come up with so far for commercials. Those are titled as follows:

“Crack of Dawn”  
“Daddy’s Home”  
“256 Miles to Go”  
“Rather Be Home”

Mr. Pawluk asked what message they are trying to convey.

Ms. Olson stated they are trying to convey the message of convenience and timesaving.

Ms. McLachlan stated they tried not to focus anything on cost but rather the convenience factor.

In response to comments from Mr. Pawluk, Ms. McLachlan stated a 30-second television commercial does not allow enough time to address the matters of enhanced security measures and arriving at the airport early enough. She stated we will continue to address those matters in the newspaper and radio spots.

Chairman Anderson stated after the TSA has their new system running smoothly in a month or two the lines should not be so long.

Mr. Kilander stated he has flown recently and comparing Fargo to other airports it is still convenient and the lines here are not long.

Ms. McLachlan stated she has seen the media at the airport a lot lately covering the issues of security and arriving at the airport in time.

Ms. Olson added that a lot of those concerns could be handled through public relations.

Mr. Pawluk stated he noticed that about 30% of the entire budget is spent on production. He stated he always has a problem with the expense of the production. He stated he wants to see the money spent on actual advertising rather than production.

Continued Discussion Regarding 2003 Airport Marketing Program: (Continued)

Ms. McLachlan stated they are proposing that these commercials run for the next two to three years so the production costs are high on this end but not for the other two years. She added that with television advertising, running the spots on the late news and early news for three weeks, we will reach 81% of adults 4.1 times in that 100 mile radius. She stated with radio we reach only 21%. She stated we have done the radio live interactives and keep reaching the same audience over and over.

Mr. Pawluk stated he feels the idea being presented today gives the exact message we wanted to give two years ago, however, everything has changed now and he feels our promotions and public relations need to reflect that. He stated if we think things have changed, just wait until we have 100% baggage screening at the ticket counters. He stated he would like to see us spending our time and dollars educating the public on what to expect when they fly. He stated if we don't educate the public they will continue to have very negative experiences flying which will lead to a tremendous decrease in traffic.

Dr. Clark stated she would agree with Mr. Kilander that things are much more convenient in Fargo. She stated it is the passenger's responsibility to get to the airport in plenty of time and she would not be in favor of spending any money on that message. She stated the reasons given in these ads presented today are the exact reasons she flies out of Fargo rather than driving to Minneapolis. She stated you have to take into consideration your time, parking, traffic, weather, etc. She stated she feels the message in these ads is exactly what we want to say. She stated if we want to get some public service announcements on arriving at the airport early enough we could use that avenue. She stated she has heard several times on the news that passengers need to get to the airport early. She stated she agrees with Mr. Pawluk that the message is important but it is not just the airport's responsibility, that falls on the airlines as well.

Ms. McLachlan stated they did some research on what other airports are using in their marketing programs and most of them were focusing on the "good feeling" image campaign of the convenience of flying out of your home town airport.

Mr. Kilander stated he sees some possibilities of tying some of the ideas on these commercials together. He added that he too agrees with Mr. Pawluk's concern about the security issues, but he feels that can be handled through public service. He added that if people do any flying at all they realize that what they encounter in Fargo is nothing compared to what they will encounter at the larger airports.

Ms. McLachlan stated there are always things you can do with television to address security announcements or things that come up. She stated you could use a ticker to run a message across the bottom of the screen.

Gen. Macdonald stated the people who are missing flights because they did not make it through the security lines in time are either the first time travelers who do not know better or they are the pushers, and the pushers deserve to be left behind.

Chairman Anderson stated the Northwest people have told him that the people getting left behind are the business travelers on a tight schedule who roll up to the curb and expect to get right on the plane, and that is not possible any more.

Mr. Dobberstein stated he thinks we would want "Fargo" more pronounced in the commercials rather than just Hector, as some people might not be as familiar with the name Hector.

Gen. Macdonald moved to approve the 2003 marketing program as presented.

Motion failed for lack of a second.

Continued Discussion Regarding 2003 Airport Marketing Program: (Continued)

After further discussion regarding which commercial formats the board members favored, Flint Communications was instructed to refine their proposal to two commercials and come back with fixed numbers and refined advertisements.

Continued Discussion Regarding Possible Eastside Terminal Modifications:

Mr. Dobberstein stated the board members have provided some sketches of ideas for modifications to the Eastside Terminal. He stated Mr. Patrick DeLaPointe, Foss Associates, has not yet been able to complete his evaluation of the exterior of the building. He stated no one from Foss Associates was able to be here today.

Mr. Dobberstein stated we do have a couple of the tenants of the Eastside Terminal present at the meeting.

Mr. Dobberstein stated he is meeting Mr. Tony Grindberg, NDSU Tech Park, to review the space available, as he feels they may have some interest in space. Mr. Dobberstein stated he feels the Eastside Terminal could be used as an incubator for business interested in locating in the NDSU Research and Technology Park. He indicated he would be showing them the available hangar space as well.

Mr. Dobberstein stated all of the existing tenants will be accommodated with only some slight modifications.

Mr. Dobberstein stated Mr. DeLaPointe's evaluation will include some estimated costs for recommended exterior repairs. He stated as far as putting together estimates on the interior modifications, they are waiting until we give them some further direction.

Mr. Dobberstein stated another option to consider would be to possibly sell the building to a developer.

Gen. Macdonald stated he feels it is an advantage for the Authority to own that building and be able to rent space at an extremely favorable rate to bring business to the airport. He stated he feels the "incubator" concept is a good idea.

Mr. K.C. Hemelstrand, AvSupport, was recognized and stated the favorable lease rate was what brought him there years ago.

Mr. Pawluk stated if we choose not to spend any money on the building then it will be in a deteriorated condition and eventually it will have to be demolished. He stated on the other hand if we recognize that we will have to spend money on an ongoing basis to keep the building in good condition the building will last forever. He stated the board needs to decide what it envisions for that building. He stated maybe we need to look at the rental rates as they may be too low.

Mr. Dobberstein stated the goal is quite simple, to turn some of the space that has been vacated into something more aesthetically pleasing, and at the same time expand the amount of revenue producing space.

Chairman Anderson stated there is no question that we need to maintain the building in an aesthetically pleasing condition.

Mr. Kilander stated the Airport Authority's first decision is to determine the responsibility of the Airport Authority and the second is to determine how the building fits into that responsibility. He stated the responsibility of the Airport Authority is to foster airport and aviation related business entities on the airport and he feels we need to look at that building in that light. He stated if all we are trying to do is spend money to keep a building in good repair that will last for many years just

Continued Discussion Regarding Possible Eastside Terminal Modifications: (Continued)

so we can lease it at a more favorable rate than local developers then he isn't sure we are on solid ground.

Mr. Pawluk stated he would agree with Mr. Kilander. He stated if the rental rates have not increased since 1986 and if we have never charged for common areas we should look at an increase.

Mr. Jeff Rye, Northstar Insurance, was recognized and stated the common use space in the terminal such as the conference room, etc., is valuable not only to the tenants but also to the National Guard and other public service uses.

Mr. Dobberstein stated we are still looking for input from the tenants and are open to ideas. He added that no decisions would be made in the immediate future. He stated this is a matter on which we will spend some time.

Received Update Regarding Proposed ASR11 Radar Site:

Mr. Dobberstein stated the last time the board discussed the ASR11 Radar Site was in July. He stated for the past year a group from the FAA and Raytheon has been looking at alternative locations for the radar. He stated the site they favor is in the southwest area of the airport. He stated the last time this matter came before the board, the members had tremendous concerns about our ability to develop the property should the radar be located there.

Mr. Dobberstein stated we have received a copy of the guidelines for developing the property around the radar site, but the guidelines contained some contradictory information. He stated the same 1500' arc around the site applies to the proposed radar site as well, and in that area it is very difficult to build anything. He stated there are some factors with the new ASR11 technology that enables it to tune out some of the previous obstructions, and it is also proposed that the new unit is going to be constructed at a proposed height of 67'.

Gen. Macdonald stated unfortunately it does not clearly state that it will be constructed at 67', it states "to less than the height of the radar deck, or 67', whichever is less." He stated if the radar deck is placed at 20' it greatly restricts us. He stated he does not think we have a veto on the height of the radar, however, we do have a veto on the location.

Chairman Anderson stated he does not feel that is the right location for the radar.

Mr. Dobberstein stated representatives of the FAA and Raytheon met here last week and they are proceeding with the legal description of the proposed location. He stated he agrees with Gen. Macdonald that he does not want to approve that site if it hinders our ability to make that revenue producing property.

Chairman Anderson asked the other board members for their comments on the location.

Mr. Kilander stated he has no problem with the location if we can assure ourselves of the long-term development potential. He stated our counter offer should be that in order to place the radar at that location the deck will be 67' above the ground.

Chairman Anderson stated he would like to see some site engineering done as to how this would affect future development.

Mr. Pawluk stated the entire NDSU Tech Park would be able to be located right next to this radar tower. He stated we will be accepting some limitations with the location of this radar site,

Received Update Regarding Proposed ASR11 Radar Site: (Continued)

however, we also need to look at the benefits of having the ASR11 radar on the field, versus putting a roadblock to getting it here. He stated there will be some real benefits to having this radar on the field.

Mr. Steve Synhorst, Ulteig Engineers, stated they could put together some preliminary sketches for possible development in the area. He stated they are doing the legal survey for Raytheon.

Mr. Dobberstein stated he would support the site only if guidelines are more specific and we get clarification that we would be able to build up to 67' and that we could build a metal building as long as it does not reflect.

Gen. Macdonald stated he agrees with Mr. Dobberstein.

Mr. Dobberstein stated he would also like added to the lease the provision that if we propose a structure and we are not able to build it he would like the FAA to pay rent on the land if it is taken out of production.

Mr. Dobberstein indicated we would have further information at the next meeting.

Received Update on Request for Proposals for Game Room Concession:

Mr. Dobberstein stated we have advertised a request for proposals for the game room concession. He stated the current operator is Valley Video, who took over for Advanced Amusements. He stated proposals will be received on December 16, 2002, and we will award the contract at our second meeting in December.

Receive Update Regarding Insurance Renewal Status:

Mr. Dobberstein stated our liability insurance renews on January 1, 2003. He stated Marsh is our broker and it is his goal to have a recommendation for us at the first meeting in December. Mr. Dobberstein stated he started the process quite a while ago but it always comes down to the eleventh hour.

Discussed December Meeting Dates:

Mr. Dobberstein stated we will be receiving bids on the restaurant project on December 19, 2002.

Following discussion of meeting dates in December it was decided to meet on the regular dates of December 10 and 24.

Other Business:

Mr. Dobberstein stated he attended a meeting of the Upper Midwest Transportation Institute at NDSU yesterday to learn more about their intermodal transportation study. He stated they are looking possible rail container facilities in Fargo, Valley City and Minot. He stated there may be a request before the Airport Authority to help fund some type of a study on an integrated cargo facility in Fargo.

Mr. Pawluk stated he intended to mention this during the discussion on marketing but forgot to do so. He stated he feels we should be spending some of our marketing funds on promoting general aviation on the airport. He feels part of our message should educate the public about the services available at the airport.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, December 10, 2002, at 8:00 a.m. in the Airport Boardroom.  
Time at adjournment was 9:27 a.m.

Regular Meeting

Tuesday

December 10, 2002

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 10, 2002, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Pawluk, Clark  
Absent: Anderson  
Others: Stewart

Vice Chairman Clark presiding.

Approved the Airport Vouchers Totaling \$17,036.91:

Mr. Pawluk moved to approve the airport vouchers totaling \$17,036.91.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,312.13 to Flint Communications for payment request for airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to HCI:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,208.00 to HCI for payment request for tree planting project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Cass County Treasurer:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,613.80 to Cass County Treasurer for 2002 special assessments (County Drains).

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Robert Gibb & Sons, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$20,000.00 to Robert Gibb & Sons, Inc. for payment in full of southeast general aviation area hydrant project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

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 \$2,127.50 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the storm sewer testing study, Runway 17/35 Reconstruction Project (AIP28).

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,791.18 to Ulteig Engineers, Inc. for payment request (final) for engineering services in connection with the Taxiway A Drainage Project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

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 \$4,651.69 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension, Project AIP25.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

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 \$384.55 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 Safety Area and Drain 10 Project

Second by Mr. Kilander.

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

Absent and not voting: Anderson

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 \$21,073.43 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project (AIP28).

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,093.10 to Foss Associates for architectural services in connection with the restaurant remodeling project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,387.22 to Foss Associates for professional services in connection with the departure lounge/restroom project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Communication from Fargo Park District Regarding Possible Land Lease:

Mr. Dobberstein introduced Mr. Roger Gress and Mr. Earl Stewart, Fargo Park District. He stated they met recently regarding the possibility of creating a neighborhood park on airport land.

Mr. Roger Gress was recognized and stated the management team of the Fargo Park District have been planning for several years to have a neighborhood park in north Fargo. He

Received Communication from Fargo Park District Regarding Possible Land Lease: (Continued)

stated so much of our expansion is south and southwest, but with the development on both sides of County 20 there is a need for a neighborhood park in that area. He stated with the concern over traffic on County 20 he feels there is a need for a park both on the south side of County 20 and on the north side of County 20.

Mr. Gress stated their question of the Airport Authority today is whether or not they would be interested in a long term lease agreement for these neighborhood parks.

Mr. Pawluk asked Mr. Gress if he sees the need for any structures being built on the property.

Mr. Gress stated he does not see the need for any structures. He stated the parks they have in mind come down to trees, playground equipment, a perimeter walking trail to tie into the new trail along University.

Mr. Pawluk stated he would encourage this type of use for that buffer area. He stated he always views the open area as a potential emergency landing spot. He added that he does not see any serious impact with some trees planted along the north end of that area.

Mr. Gress stated that the Park District will certainly follow all restrictions applying to the area.

Gen. Macdonald stated he would like to see the Park District take the whole area along the east side of University.

Mr. Dobberstein stated he feels this is an acceptable use for the property and it would have to go through the normal FAA approval process. He stated if the Airport Authority agrees he will start the FAA process.

Gen. Macdonald asked about the possibility of a pedestrian walkway over County 20 since entire road is going to be reconstructed.

Mr. Gress stated if that were the case and there was a safe passage from one side of County 20 to the other it may beg for the concept to be only one 12 acre park rather than two six acre parks.

Gen. Macdonald stated he feels we need to have Ulteig draw the clear zones, then go back to the Park Board and tell them exactly how much space they can have and then let them decide how much they want to lease.

Mr. Gress stated if the Airport Authority is open to this then we should have some public meetings with the neighborhoods and advise them of the possible collaboration between the Airport Authority and the Park District and the proposed plans.

Mr. Pawluk stated he is still bothered by the fact that the bridge over the Red River is going to be closed for reconstruction one year and then County 20 closed for construction the next year. He suggested that Mr. Gress and the Park Board express their feelings on that to the Department of Transportation.

Mr. Dobberstein stated there is also the matter of special assessments. He stated the airport tenants currently pay special assessments on leased land.

Mr. Pawluk stated the Park District pays special assessments on land that they have now so that should not be an issue.

Mr. Kilander stated if the land was sitting there barren then the Airport Authority would be paying the specials. He thinks the concept he is looking at is not so much as who is responsible for the specials but does the Airport Authority want to take the direction of having some sort of

Received Communication from Fargo Park District Regarding Possible Land Lease: (Continued)

utility out of the land that we own. He stated he does not see any benefit to encumber what the Park District is trying to do, as the land could not be used for anything commercial anyway.

Mr. Pawluk stated he is sure Mr. Gress was planning to have to pay the special assessments.

Mr. Gress stated to be perfectly honest he had not even thought about it, but if he was sitting in Mr. Dobberstein's seat he would be asking the same question.

Mr. Kilander moved the Executive Director be authorized to move ahead with the exploration of the partnership with the Fargo Park District and to begin the FAA approval process.

Second by Mr. Pawluk.

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

Continued Discussion Regarding 2003 Marketing Program:

Mr. Dobberstein stated this is a continuation of our discussion at the meeting of November 26 of the 2003 marketing program proposed by Flint Communications. Christy McLachlan and Maureen Olson, Flint Communications are present.

Ms. McLachlan was recognized and stated they have brought some examples of where they have taken television commercials and used them in print advertising as well. She stated these are commercials that will also run for a two to three year period.

Ms. Olson reviewed the estimated costs of each of the four possibilities for commercials:

"Daddy's Home"	\$10,805
"Crack of Dawn"	\$10 040
"Rather Be Home"	\$10,725
"256 Miles To Go"	\$13,000

"Crack of Dawn" and "Rather Be Home" could be done for \$15,900.

Mr. Pawluk stated he still does not feel we have the budget for television. He stated if we produce a television spot with the idea that it is going to run for three years he is concerned that we are in a market where conditions are really changing. He stated we really don't know what kind of situations will be impacting us even a month from now. He stated he is not willing to participate in the television marketing campaign, based on what we have. He stated he likes the flexibility that we have with radio and printed advertising. He stated he believes he is probably in the minority with that opinion.

Mr. Kilander asked what our objective is with this campaign.

Mr. Dobberstein stated the main message is "convenience."

Ms. McLachlan stated we have had a large budget on radio for the past two years and we keep reaching the same people over and over again. She stated with television we will reach a larger audience. She added that we will continue with some newspaper and radio.

Mr. Pawluk stated he does not think our budget is big enough for television.

Ms. McLachlan stated with television we are better able to pick and choose the audience. She stated that with television you also get some add-ons, such as "the weather is brought to you by Hector International Airport."

Vice Chairman Clark suggested we first have a motion to approve the 2003 marketing program as proposed by Flint Communications, and then have a motion deciding on which commercials we would like.

Continued Discussion Regarding 2003 Marketing Program:

Gen. Macdonald moved to approve the 2003 marketing program as proposed by Flint Communications.

Second by Mr. Kilander.

Mr. Pawluk stated if we are making a commercial or commercials which will run for the next two or three years, we could argue that the message is always the same, "Fly out of Fargo." However, with all of the changes in this industry, we are locking ourselves into a message that we may wish to change, as it may no longer be appropriate. He stated he does not like being tied up with television. He stated he likes the idea of seeing Hector Airport commercials on television but he thinks with the budget that we have we cannot afford it.

Gen. Macdonald stated we could raise our marketing budget for 2003.

Vice Chairman Clark called for a vote on the motion.

Members Kilander, Macdonald and Clark voted aye.

Pawluk voted no.

Absent and not voting: Anderson

The motion was declared carried.

Mr. Kilander stated the one commercial is definitely geared for a winter audience and for that reason we should do more than one commercial.

After further discussion of the proposed commercials, Mr. Kilander moved to accept the recommendation of Flint Communications to produce commercials #2 and #3 ("Crack of Dawn" and "Rather Be Home").

Second by Macdonald.

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

Received Update Regarding Insurance Renewal:

Mr. Dobberstein stated we received the proposal from Marsh for our 2003 liability insurance renewal. He stated they are still working on a couple of issues with the insurance carrier, AIG, who proposed a renewal rate of \$85,100. He stated they received only one other quote and that was \$102,641. He stated Marsh is recommending we accept the proposal from AIG.

Mr. Dobberstein stated in the event we do not meet again in December he would like to board to approve the AIG renewal and he and Attorney Stewart can work out any final details.

Mr. Pawluk moved the Airport Authority authorize the Executive Director to consult with Attorney Stewart and proceed with the renewal of the liability insurance coverage with AIG.

Second by Mr. Kilander.

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

Mr. Dobberstein stated he expected the renewal premium to be \$120,000-\$130,000.

Received Communication from Airborne Express Regarding Runway 17/35 Reconstruction Project:

Mr. Dobberstein stated he and Mr. Steve Synhorst, Ulteig Engineers, have been working with the FAA Airports District Office in Bismarck putting together the program for our planned 2004 Runway 17/35 reconstruction. He stated one of the items we are considering including is runway

Received Communication from Airborne Express Regarding Runway 17/35 Reconstruction Project:  
(Continued)

centerline lighting. He stated one way to justify that in the project concept is to have support from the carriers that use the airport. He stated he has requested input from the carriers on how important centerline lighting would be to them. He stated runway centerline lighting allows our minimums to be reduced.

The communication from Airborne Express dated November 27, 2002 was received and filed without objection. The communication indicated Airborne endorses any upgrades or improvements to existing lighting, especially the installment of centerline lights.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Ulteig Engineers, stated they are working on the closeout for the perimeter road project. He stated they have started on the Runway 17/35 Reconstruction Project.

Mr. Synhorst stated he visited with Mr. Tom Schauer, FAA Airports District Office, yesterday and the FAA has some new criteria for zones off the end of runways. He stated those zones have extended quite some distance and widened, for objects that may penetrate those zones. He stated another issue has also come up. He stated in the past if you had an IFR approach for a runway, they started 35' above the threshold and then went at a 40 to 1. He stated the FAA is now interpreting that differently where the 35' is taken out and now you are starting right at the threshold of the runway. He stated the greatest impact of that will be off Runway 31 and will affect the NDSU Tech Park. He stated right now the Tech Park has a Notice for Proposed Construction for their second building being reviewed by the FAA. He stated Mr. Tom Schauer is trying to get the FAA to interpret exactly how they will look at that.

Mr. Synhorst stated the airport has the option to take the IFR approach off Runway 31.

Gen. Macdonald stated he would like to know how far the threshold would have to be moved in order not to interfere with NDSU. He stated we might want to consider taking the IFR away.

Mr. Pawluk stated all of the pilots he knows really value Runway 31 and they would rather have the runway at a longer length rather than to have the IFR.

Mr. Synhorst stated if the conditions were that bad a pilot would want to land on 17/35.

Mr. Synhorst stated he and Mr. Schauer also talked about the centerline lighting. He stated part of centerline lighting is touchdown zone lighting and Mr. Schauer really believes we need to pick one end of the runway on which to place the touchdown lights rather than putting that much money in both ends.

Mr. Dobberstein stated the estimate for the runway project is now at \$26 million.

Mr. Synhorst stated we have almost finished all of the items on the electrical punchlist for Runway 8/26. He stated he is still working on the matter of liquidated damages.

Mr. Pawluk stated he will support Mr. Synhorst on the liquidated damages issue.

Mr. Dobberstein stated he has forward the information for the PFC application to Mr. Wes Schon, Ulteig Engineers, Sioux Falls, so he will begin that process.

Mr. Synhorst stated he and Mr. Dobberstein are working on a meeting with Major Ron Solberg, NDANG, and the National Guard Bureau, to discuss their participation in funding of the Runway 17/35 project.

Continued Discussion Regarding Possible Eastside Terminal Project:

Mr. Dobberstein stated he sent out existing floor plans of the Eastside Terminal to the current tenants and asked for their input on possible improvements and he has heard nothing from any of the tenants. He stated Rochelle Conzemius, Foss Associates, is present and can give us an update. He stated they are looking for some direction from the board, should we tell them what to create or should we ask for their recommendation.

Ms. Conzemius was recognized and stated Mr. Patrick DeLaPointe did an observation and assessment of the Eastside Terminal. She stated he is currently working on recommendations. She stated his indication so far is that the general envelope of the original building is in good condition. She stated the updates and repairs, such as the roofing project, have sustained the age of the building. She stated there are some minor things that he is addressing.

Ms. Conzemius stated one of the big items is the window. She stated the existing windows are beyond their life expectancy. She stated that the canopy is in good to fair condition but will need some repairs. She stated Mr. DeLaPointe is putting together a detailed account of these items and will make recommendations on how those items should be prioritized.

Mr. Dobberstein asked the board if they want Foss to come back with some figures on proposed renovations on the first floor.

Mr. Kilander stated Foss Associates are the experts and he would like to see them come back to the board with a couple of concepts.

Mr. Pawluk stated it would seem that it makes the most sense for us to renovate the former restaurant area, but we are not going to make that decision today.

Ms. Conzemius stated they would like the input from the tenants so they have some direction.

Gen. Macdonald agreed it was especially important to get input from the larger tenants.

Mr. Kilander stated we have a group of tenants we want to accommodate the best we can, and then also do things with the idea that we want the most leasable space we can have for future tenants as well.

Other Business:

Received Preliminary Reimbursable Agreement AGL-352, Runway 17/35 Reconstruction Project:

Mr. Dobberstein stated we have received the Preliminary Reimbursable Agreement AGL-352 for the Runway 17/35 Reconstruction Project. Mr. Dobberstein stated that in order for us to engage the FAA's services to come in and put together what they need for the Runway 17/35 Project we need to front all of the costs, all of which are reimbursable once the grant for the project is available. He stated this process will be starting in the next month.

Gen. Macdonald moved to authorize the Executive Director and Attorney Stewart to work with the FAA on the Preliminary Reimbursable Agreement AGL-352.

Second by Mr. Kilander.

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

Other Business:

Gen. Macdonald asked for an update on the lease or sale of Hangars #2 and #4.

Mr. Dobberstein stated he has received phone calls from four interested parties. He stated we mailed out information packets to about 30 parties, including regional airlines as well as local businesses. He stated the deadline for proposals is December 20. He stated some of the interest so far has been for a straight lease, some are lease with option to buy, and some are for purchase.

Mr. Dobberstein stated we will be receiving proposals for the game room operation on December 16 for the contract that would take effect January 1, 2003. He stated in the event that we do not meet on December 24, he would like authorization for he and Darren Anderson to select and award a game room operator.

Mr. Kilander moved the Airport Authority authorize Mr. Dobberstein and Mr. Anderson to select the best game room proposal.

Second by Mr. Pawluk.

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

Mr. Dobberstein stated unless some other business comes up between now and December 24, we will not be meeting on December 24. He stated everyone would be advised.

The meeting of the Municipal Airport Authority was adjourned until Annual Meeting to be held Friday, January 10, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:32 a.m.

