
MUNICIPAL AIRPORT AUTHORITY

Page No. 1

Annual Meeting

Friday

January 10, 2003

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Friday, January 10, 2003, 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, Lynch

Chairman Anderson presiding.

Approved the Minutes of the Regular Meetings of the Municipal Airport Authority Held November 26, 2002 and December 10, 2002:

The minutes of the regular meetings of the Municipal Airport Authority held November 26 and December 10, 2002, were approved without objection.

Approved the Airport Vouchers Totaling \$36,233.29:

Gen. Macdonald moved to approve the airport vouchers totaling \$36,233.29.

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 CM of North Dakota:

Mr. Pawluk moved to approve the individual voucher in the amount of \$28,891.00 to CM of North Dakota for Payment Request #4 for general construction of departure lounge/restroom 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 Bergstrom Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$495.00 to Bergstrom Electric for Payment Request #5 for electrical construction of departure lounge/restroom 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 Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$6,347.25 to Nodak Contracting for Payment Request #11 for general construction of the 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, Macdonald, Pawluk and Anderson voted aye.

Absent and not voting: 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 \$51,550.17 to Nodak Contracting for Payment Request #9 for general construction of the NDANG Arm/Disarm Apron.

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 Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,140.00 to Nodak Contracting for Payment Request #8 for general construction of Runway 8/26 Safety Area, Project APFC01.

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 Nodak Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$9,150.00 to Nodak Contracting for Payment Request #9 for electrical construction of 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, Macdonald, Pawluk and Anderson voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,198.02 to Fargo Electric Construction for payment in full for electrical vault regulator modifications.

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 Sherman Plumbing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,671.00 to Sherman Plumbing for Payment Request #2 (Final) for the departure lounge/restroom 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 Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,050.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the topographical study for proposed patio renovations.

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 Johnson Controls:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,806.00 to Johnson Controls for Payment Request #3 for Access Systems Upgrade, Project AIP27.

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 The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$68.16 to The Forum for advertisement for bids for front-end loaders.

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 The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$166.14 to The Forum for advertisement for bids for the restaurant remodeling 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 Marsh:

Mr. Pawluk moved to approve the individual voucher in the amount of \$85,100 to Marsh for liability insurance policy renewal for calendar year 2003.

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 T.L. Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,075.00 to T.L. Stroh Architects for payment request for architectural services in connection with the proposed patio renovations.

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 Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,330.99 to Ulteig Engineers, Inc. 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 Anderson 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 \$216.21 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. 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 Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,330.81 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvements, AIP28.

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:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,585.00 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, Pawluk and Anderson voted aye.

Absent and not voting: Clark

The motion was declared carried.

Received Proposals and Award Contract for Game Room Operation:

Mr. Dobberstein stated we advertised for proposals for the operation of the game room in the Westside Terminal and received proposals from United Music and Valley Video.

United Music proposed an annual guarantee of \$4,200 with 40% commission on some games and 30% on others.

Valley Video proposed an annual guarantee of \$4,000, but 50% commission on all games.

Mr. Dobberstein stated he and Darren Anderson reviewed the proposals and decided to award the contract to Valley Video. He stated Mr. Anderson and Attorney Stewart worked on a lease agreement for a five-year term.

Mr. Kilander moved to authorize signature of the lease agreement with Valley Video for the operation of the game room.

Second by Mr. Pawluk.

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

Received Front-End Loader Bids and Recommendation of Award:

Mr. Dobberstein stated we have been working on the process to replace two 1992 front-end loaders, one John-Deere and one Caterpillar. He stated we requested bids for one smaller and one larger loader. He stated we received bids from four companies, RDO, Krider, Butler and Sweeney Brothers. He stated the combined low bid was \$421,800 from RDO Equipment. He stated we had budgeted \$450,000. He added that we will be reimbursed through a PFC.

Mr. Dobberstein stated he would recommend awarding the bid to RDO. He added that he would also like authorization from the board to take bids on the old equipment, as we feel we will do better that way than to trade them in or sell them through the city auction.

Mr. Kilander moved to receive the bids for front-end loaders and award the bid to RDO Equipment, based on their bid of \$421,800.

Second by Mr. Pawluk.

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

Received Front-End Loader Bids and Recommendation of Award: (Continued)

Mr. Pawluk authorized the Executive Director to receive bids on the surplus equipment and advise the board of the disposition of the items.

Second by Mr. Kilander.

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

Received Restaurant Remodeling Bids and Recommendation of Award

Mr. Bill Cowman, Foss Associates, was recognized and stated bids for the restaurant project were received on January 7, 2003. He stated there was a lot of interest in the project and we received ten general bids. He stated their estimate for the base bid was \$300,200 and the low bidder was Minn-Co Construction with a bid of \$300,014.

Mr. Cowman stated this will be a complex little project and they were pleased with the contractor who was low bidder. He stated this is their type of project and they will do a good job for the airport. He stated we will still need to work out the phasing of the project with the restaurant operator. He stated there will be a pre-construction conference on Tuesday afternoon.

Mr. Cowman stated he would like to board to award contracts to the three contractors listed and also to issue notices to proceed, based on the recommendation of the architect, which includes Alternates G1, M1 and E1.

Second by Mr. Kilander.

Chairman Anderson asked Mr. Dobberstein to go over the budget figures again and review whether or not we are on budget.

Mr. Dobberstein stated we are within the budget so far. He stated there is another line item that was not included in this bid. He stated that item is for furniture and fixtures for which we have budgeted \$67,000-\$70,000. He stated the project budget was set at \$400,000, but in past discussions the board has indicated we could handle \$420,000-\$430,000.

Mr. Dobberstein stated the board had budgeted \$200,000 in the 2002 budget for this project and he needs authorization to move that \$200,000 from the Operations and Maintenance Budget into the Improvement Fund. He stated the balance of the project will come from the Improvement Fund. Mr. Dobberstein stated a lot of this project would be eligible for PFC funding. He stated he is proposing to put it in the PFC application we are in the process of completing.

Chairman Anderson called for a vote on the motion.

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

Absent and not voting: Clark

The motion was declared carried.

Mr. Cowman stated this project will require more on-site time from the architect than the project we just finished and for that reason the \$15,000 contingency item will probably not be adequate.

After further discussion it was the consensus of the board to increase that amount to \$30,000.

Received Restaurant Remodeling Bids and Recommendation of Award

Mr. Pawluk moved to authorize the transfer of \$200,000 from the 2002 Operations and Maintenance Budget to the Improvement Fund, and that the contingency item in the project be increased from \$15,000 to \$30,000.

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.

Mr. Cowman stated Shelley Richard is here today to present the proposed colors, finishes and materials to be used in the project. She stated the goal was to freshen up and brighten up the space. She stated the finishes she is recommending are not contemporary, but they are not traditional either. She stated she feels those she is recommending are mid-point that a lot of people should relate to and should not be offended by them.

Ms. Richard reviewed the finishes for the various areas.

Ms. Richard stated the kitchen basically stays as it is. She stated we are installing new mylar ceiling tiles in the kitchen area. She stated the project does include the repair of the wall behind the grill/oven.

Chairman Anderson asked Mr. Cowman to go over the timeframe of the project.

Mr. Cowman stated the original idea was to start at the front of the restaurant and move toward the back. He stated the reason for that is Mr. Haug wanted to keep the bar in operation during the charter season. He stated after looking at it further it made more sense to start at the back and move forward, since now the bar is not going to be replaced. He stated now that a contractor has been selected they will have to spend some time with them and decide on the best method. He stated MinnKo Construction indicated a completion date of May 20 on their bid, but he stated he feels that is a bit aggressive. He stated MinnKo feels comfortable with that date but he feels that will be pushed back about 30 days.

Consider Proposals Received for Hangar #2 and Hangar #4:

Mr. Dobberstein stated the board had discussions late last year regarding what to do with Hangar #2 which was just completed, as well as Hangar #4, which is the heated portion of the recently constructed hangar and currently leased on a month to month basis to Fargo Jet Center.

Mr. Dobberstein stated we advertised a request for proposals on both hangars, either to lease or to purchase. He stated we received interest from only two parties, Fargo Jet Center and Fargo Aero Tech. He stated Fargo Aero Tech proposed \$1,500.00 to lease Hangar #4, with no specific term proposed. Fargo Jet Center offered a lease of \$3,010.00 per month for five years with two five-year options for Hangar #4, or a purchase price of \$325,000. He stated Fargo Jet Center offered a lease of \$1,200.00 per month for a term of five years with two five-year options for Hangar #2, or a purchase price of \$325,000. He stated proposal packets were mailed out to about 32 parties and he had a lot of verbal interest but these were the only proposals submitted.

Consider Proposals Received for Hangar #2 and Hangar #4: (Continued)

Mr. Kilander stated he would like to discuss the best case scenario for the Airport Authority. He asked if it is best for the Authority to continue to be the landlord on these facilities or is it best to sell the hangars.

Mr. Pawluk stated that is a good place to start, however, he feels a little historical perspective is helpful as well. He stated on the site where Hangars #3 and #4 are built we used to have the two large round roof wood structures, which were both damaged in the July 1999 wind storm. He stated the two new hangars were built with the insurance settlement on the damaged buildings. He stated Hangar #2 is also a replacement for the previous hangar which was leased by the NDANG. He stated the Airport Authority used to have 100,000 square feet of hangar space and now we have about 50,000 square feet in hangar space. He stated, of course, the new hangars are very high quality storage space. He asked, in the long run, does the Airport Authority want to own those types of properties.

Mr. Kilander stated it has been his impression from other discussions on hangar ownership that the Airport Authority did not want to be in the landlord business. He stated it was his impression that the Authority wanted to turn structures over to private enterprise as an inducement to do more things.

Chairman Anderson stated it is his opinion that we should not be in the landlord business as it is competition with the other businesses on the airport. He stated he agrees with Mr. Pawluk that the money we have invested in the new buildings is replacement for what we lost. He asked Mr. Dobberstein if the request for proposals was specific as to lease or purchase.

Mr. Dobberstein stated we asked for either lease or purchase. He stated we encouraged aviation related uses.

Mr. Pawluk stated we were originally working on leasing or selling just Hangar #2 but decided to offer Hangar #4 for sale or lease as well. He stated we also received proposals from real estate agents for marketing the hangars but have not taken action on retaining an agent at this point. Mr. Pawluk stated as far as the two offers to buy the hangars, the cost to build the hangars was more than double that of the offers. He stated if our goal is to sell the hangars then he feels we need to market them with a professional and anticipate that it will take at least a year to sell them. He stated another perspective is, we have a proposal and we act on that and get out of the business.

Gen. Macdonald stated his gut feeling is that we sell Hangar #2 and lease Hangar #4. He stated the purchase price offered for Hangar #4 is out of line, considering the highest offer to lease it for \$3,010 per month.

Mr. Dobberstein stated the cost to date to construct Hangar #2 is \$815,200 and the offer was \$325,000. The cost to date for Hangar #4 is \$667,500 and the offer was \$325,000.

Mr. Pawluk stated he feels if we want to sell the hangars we should hire a professional marketing agent and then be prepared to sit on them for a couple of years. He stated if they are tied up in a long term lease then we lose that option.

Mr. Kilander asked why we advertised for proposals for lease or sale if we are not going to act on any of these offers.

Consider Proposals Received for Hangar #2 and Hangar #4: (Continued)

Chairman Anderson stated the reason we did not select a real estate agent is that no one locally had any experience in marketing hangars.

Mr. Dobberstein stated the reason we did not go forward with either real estate firm submitting proposals was that they would take a substantial percentage out if they were to sell it. He stated the consensus of the board was to try to sell the hangars ourselves. He stated that is what we did, these are the proposals we received, and the board can either accept or reject them. Mr. Dobberstein stated the board could decide to lease the hangars on a month to month basis until we receive an offer through one of these professional firms.

Mr. Pawluk stated this hangar space is not new space, it is space that we have always had so he is not afraid to sit on it for a while. He stated even though we have not had an urgent need for the space in terms of economic development, there is an advantage to have the space available should such a need arise.

Chairman Anderson stated he leans toward negotiating short term leases with both Fargo Jet Center and Fargo Aero Tech, not to exceed five years.

Gen. Macdonald stated it is his personal opinion that we should sell Hangar #2.

Mr. Kilander stated it is his opinion that if the board does not want to be in the competitive real estate business then we should sell the hangars. He stated the board decided to attempt to sell or lease the hangars on our own and requested proposals and we received proposals from two parties. He stated he does not know why we would switch gears at this point.

Mr. Pawluk stated if he owned the hangars, with no mortgage on them, in this market, this is not the time to sell. He stated he is not motivated to sell these at this time. He stated if the board wants to sell the hangars then he would lease them on a month to month basis until there is an offer to purchase.

Chairman Anderson stated we could counter the offers to lease with month to month lease terms, with the ultimate long term plan being to sell the buildings.

Mr. Kilander asked how much we would be asking for the hangars.

Mr. Pawluk stated he felt it should be the cost of construction.

Mr. Kilander stated he does not agree with that. He stated he does not think we are going to find anyone willing to pay cost. Mr. Kilander stated we have received offers on the two hangars and asked if we are going to make a counter offer. He stated he thought the Airport Authority wanted to get out of the landlord business.

Chairman Anderson stated he does want to sell the buildings, but not for the price offered. He stated maybe there is some room for negotiation.

Mr. Dobberstein stated we certainly should not negotiate our hand in public. He stated we can certainly visit with Mr. Sweeney and advise him that the offer was less than we want to accept.

Mr. Pawluk stated Hangar #4 is right next to Fargo Aero Tech, yet their lease offer was less than Fargo Jet Center. He stated one would hope that they would have some room for negotiation since it is right next to their facility and he feels that would have some value.

Chairman Anderson stated he would lean toward letting Mr. Dobberstein do some negotiating with the parties and see if there is some middle ground. He stated he would like to table the item for now.

Consider Proposals Received for Hangar #2 and Hangar #4: (Continued)

Chairman Anderson stated he agrees with Mr. Kilander that he wants to sell the buildings and get out of the landlord business, however, it is the due diligence of the Airport Authority to be sure that we get a fair price for the buildings and the offers received to not seem to be fair.

Mr. Pawluk stated he feels we should sell the buildings for purchase price because if we lease them on a long term basis for a below market rate, our opportunity to dispose of the buildings becomes very limited. He stated those are very desirable properties.

Mr. Dobberstein stated he does not have a problem trying to negotiate the offers for purchase, but how do we go back and negotiate on the lease amounts offered. He stated he does not see how we can do that fairly.

Mr. Pawluk moved that the Airport Authority reject all proposals received for the purchase of lease of Hangar #2 and Hangar #4.

The motion failed for lack of a second.

Chairman Anderson relinquished the chair to Mr. Pawluk.

Mr. Anderson moved the matter be tabled until next month.

Second by Gen. Macdonald.

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

Mr. Pawluk returned the chair to Mr. Anderson.

Received Final Report From USDA-APHIS Regarding Wildlife Hazard Assessment:

Mr. Dobberstein stated we have received the final report from the USDA-APHIS regarding the wildlife hazard assessment conducted on the airport over the past year, as required by the Federal Aviation Administration. He stated their recommendation is that we complete a wildlife hazard management plan, so this is just Phase I of what they ultimately recommend. He stated that fortunately for us we already comply with a lot of the recommendations they make, such as restricting crop types and having the appropriate permits to take care of certain wildlife hazards on the field, and their report acknowledges that. He added that we hope to recover 100% of the cost of the study through either AIP or PFC funds.

The final report for the USDA-APHIS Wildlife Hazard Assessment was received and filed without objection.

Received Notice from North Central Construction Regarding Discontinuation of Charter Operation/Agreement:

Mr. Dobberstein stated a little less than a year ago North Central Construction requested that they be authorized to do charter operations from the airport. He stated in conjunction with our minimum standards, they aligned their operation with an existing FBO on the field, Fargo Jet Center.

Mr. Dobberstein stated North Central Construction called a couple of months ago to advise that they are no longer operating the charter. He stated this is just official record of that discontinuation of service.

Continued Discussion Regarding Ness Building Ground Lease:

Mr. Dobberstein stated that at a recent meeting the Airport Authority tabled the request from Mr. Bernie Ness for a ground lease for the Avis service facility in the southeast area of the airport. He requested the same lease as that between the Airport Authority and Mr. Maurice Lamb.

Mr. Dobberstein stated since that meeting Mr. Ness has removed the fuel tank and island and also did some clean-up on the exterior of the building. He stated Mr. Ness has also agreed to paint the exterior of the building in the spring. He stated Mr. Ness is requesting a five year lease and that would be retroactive to July 1, 2002.

Mr. Pawluk asked if the lease prohibits storage of personal property on the exterior of the building.

Mr. Dobberstein stated he believes that is correct. He stated that from time to time the car rental agencies may have a damaged vehicle that needs to be stored there until the insurance claim is settled.

Mr. Pawluk stated it continues to be his contention that the building is beyond its useful life and should be knocked down.

Gen. Macdonald moved to approve the request for a ground lease with Mr. Bernie Ness for a five year period with no extension and no options, and that the lease contains the appropriate language required for proper appearance requirements.

Second by Mr. Kilander.

Mr. Kilander stated he feels it is extremely important that counsel be emphatic with the tenant on the Authority's desire to have the tenant abide by all terms and conditions of the lease, especially the storage of personal property on the exterior of the building and the exterior appearance.

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

Discussed Scope of Planned Runway 13/31 Project for 2003:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he has two issues to discuss today. He stated first of all, the Airport Master Plan is in its final review process at the FAA. He stated there are a few changes and additions they would like made to the drawings, however, they have been on hold awaiting a decision to be made by the Authority today. He stated the second matter is the relocation of the Runway 13/31 thresholds in the 2003 improvement projects.

Mr. Synhorst stated the existing length of Runway 13/31 is 4,199 feet, and the actual length is 4,370 feet. He stated the required length for an A2 category runway is 3,960 feet and that will serve 100% of the aircraft in that category. He stated a length of 3,340 feet will serve 95% of those aircraft. He stated these are the requirements the FAA would use for a new runway.

Mr. Synhorst stated early in 2002 an IFR approach was put on Runway 13/31, unbeknownst to the airport, the engineer, and a number of different entities. He stated what that means is we now have three different surfaces to work with as far as clearance.

After further explanation by Mr. Synhorst, Mr. Pawluk stated he thought the Airport Authority already determined that we were going to designate Runway 13/31 as a VFR runway.

Mr. Synhorst stated if Runway 13/31 is designated as a VFR runway there are still some departure surface requirements, but they are not anywhere near what they are for an IFR runway.

Discussed Scope of Planned Runway 13/31 Project for 2003: (Continued)

Mr. Synhorst stated if we maintain the IFR approach, the existing obstructions which were previously approved for air space would be grandfathered in, however, any future improvements would be subject to the new requirements.

Gen. Macdonald stated he sees no reason to have Runway 13/31 an IFR runway.

Mr. Pawluk stated in bad weather a pilot will use 17/35.

Mr. Synhorst stated if Runway 13/31 is changed back to a VFR runway then the proposed construction in the NDSU Tech Park would meet the criteria. He stated if it remains an IFR runway it does not meet the criteria.

Gen. Macdonald moved the Airport Authority designate Runway 13/31 a VFR only runway.

Seconded by Mr. Kilander.

Mr. Pawluk asked if Runway 13 still considered an RNAV runway.

Mr. Dobberstein stated per the board's action today and his letter to the FAA today, that will go away.

Mr. Pawluk stated he feels the airport is better served by having a 3,960 foot runway.

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

Elected Chairman of the Municipal Airport Authority for Calendar Year 2003, As Per Bylaws:

Gen. Macdonald moved to elect Dr. Virginia Clark Chairman of the Municipal Airport Authority for calendar year 2003, as per bylaws.

Second by Mr. Pawluk.

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

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 2003, As Per Bylaws:

Gen. Macdonald moved to elect Mr. Don Kilander Vice Chairman of the Municipal Airport Authority for calendar year 2003, as per bylaws.

Second by Mr. Pawluk.

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

Other Business:

Mr. Dobberstein stated because of scheduling he is not certain we will meet again in January but everyone will be advised if a meeting is needed.

Other Business: (Continued)

Mr. Pawluk stated he would like to see us recognize the record boardings for both United Airlines and Northwest Airlines. He stated it might be time for another appreciation event for the airlines.

Mr. Pawluk stated along that same line, he asked what would happen if we would negotiate a reduction in fees, such as landing fees, for the airlines since they are all experience hard times right now.

Mr. Dobberstein stated he would probably look at making a change in our jetway rental agreements with the airlines. He stated they are currently paying \$50 per operation or a monthly maximum of \$1,500.

Gen. Macdonald stated the idea in principal is a good one. He stated our fees are already probably lower than industry standard now. He stated he has not seen any of the airlines knocking on our door looking for reductions.

Mr. Pawluk stated he would like to see us do something to help them and to do something to tie them to us so that we do not use the marvelous service that we have.

Mr. Kilander stated we need to recognize their importance to the community and take it to the next step by saying we can't do a lot but we can do a little. He stated we want them to know that they have been very good to us and we want to be as good to them as we possibly can.

Chairman Anderson stated between now and the next meeting Mr. Dobberstein can review all of the information and give us an idea of what we can do.

Mr. Dobberstein stated the only thing he would recommend would be with the jetway usage.

Gen. Macdonald stated his experience in negotiations with airlines, they have definite feelings about where the charges are coming from. He stated they may want to leave the jetway rental as it is and look at another area.

Mr. Dobberstein stated they did receive a significant rent reduction last year after the building bonds were paid off.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 11, 2003.

Time at adjournment was 9:45 A.M.

Regular Meeting

Tuesday

February 11, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 11, 2003, 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, Lynch

Chairman Clark presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 10, 2003:

The minutes of the annual meeting of the Municipal Airport Authority were approved without objection.

Approved the Airport Vouchers Totaling \$37,262.17:

Mr. Pawluk moved to approve the airport vouchers totaling \$37,262.17.
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 \$20,975.51 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, Pawluk and Clark voted aye.
Absent and not voting: Anderson
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 \$19,748.22 to CM of North Dakota for payment request #5 for construction of 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.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,452.03 to Flint Communications for payment request for 2002 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 Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$25,508.79 to Flint Communications for payment request for 2003 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 Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$447.90 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, Pawluk and Clark voted aye.

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$810.00 to Bergstrom Electric for Payment Request #6 (Final) for electrical construction of 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.

Approved the Individual Voucher to Cinergy Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$28,846.00 to Cinergy Communications for Payment Request #2 for Flight Information Display System.

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 \$437.56 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, 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 \$8,716.09 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvement Projects, 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 Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,031.55 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 Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$289.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PFC Application #6.

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 \$524.73 to Foss Associates to 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, 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 \$4,432.94 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, 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 \$520.00 to Foss Associates for payment request for mechanical engineering consultant for Eastside Terminal Building Report.

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 Change Order #1 to CM of North Dakota for Departure Lounge/Restroom Project (Install Exit Door) in the Amount of \$5,037.92:

Mr. Dobberstein stated Lockheed Martin was retained by the TSA to redesign the checkpoints at airports and this happened to be at the same time we were doing our departure lounge renovations. He stated as part of the checkpoint redesign they required a double set of exit doors which required a change order in the amount of \$5,037.92. He stated the Lockheed representatives assured him the TSA would reimburse us for this additional expense and he has every intention of getting that reimbursement.

Mr. Pawluk moved to approve Change Order #1 in the amount of \$5,037.92 to CM of North Dakota for the additional door installed in the departure lounge/restroom project.

Second by Mr. Kilander.

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

Received Update From Flint Communications Regarding 2003 Marketing Program;

Mr. Dobberstein stated the television campaign has started. He stated Flint has produced two commercials and one is running right now. He stated Flint has provided a number of options for newspaper and billboards ads. He asked the board members to review them and get back to him by Friday with their ideas on which ones they like.

Received Update Regarding Restaurant Remodeling Project:

Mr. Dobberstein stated the contractor started on the project yesterday morning and so far the progress has been good. He stated the restaurant staff will adjust the operations accordingly and the restaurant operations will continue as close to normal as possible.

Ms. Shelley Richard, Foss Associates, presented some carpet options and the board approved her recommendation.

Continued Discussion Regarding Proposals Received for Hangar #2 and Hangar #4:

This item was tabled at the last meeting.

Gen. Macdonald moved the item be taken off the table.

Second by Mr. Kilander.

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

Mr. Dobberstein stated after advertising a request for proposals for either lease or purchase of Hangar #2 and Hangar #4 we received proposals from Fargo Jet Center and Fargo Aero Tech as follows:

Hangar #2

Fargo Jet Center offered a lease of \$1,200 per month for an initial term of five years, with two optional five year extensions, or a purchase price of \$325,000

Hangar #4

Fargo Jet Center offered a lease of \$3,010 per month for an initial term of five years, with two optional five year extensions, or a purchase price of \$325,000.

Fargo Aero Tech offered a lease of \$1,500 per month with no term specified.

Mr. Dobberstein stated that late yesterday Fargo Aero Tech submitted a subsequent offer for Hangar #2 in the amount of \$1,500 per month, with the term up to the Airport Authority.

Mr. Dobberstein stated at the last meeting the board discussed how to handle any counter offers by the Airport Authority on either lease or purchase offers. He stated the consensus was that it would probably not be fair to go back to the parties after the fact on the leases, but he indicated he would contact Mr. Jim Sweeney regarding their offers for purchase and see if they are willing to offer more. He stated he contacted Mr. Sweeney but he has not heard anything further.

Mr. Kilander asked if we are now in an auction situation.

Mr. Dobberstein stated the subsequent offer from Fargo Aero Tech was unsolicited.

Mr. Pawluk stated whatever we do it must be in the best interest of the Airport Authority. He stated he does not have that answer but he feels that would be to lease or sell the hangars for the most amount of money.

Gen. Macdonald stated he feels the lease offer of \$3,010 for Hangar #4 is fine. He stated we tabled the matter at the last meeting so we never rejected any of the offers. Gen. Macdonald asked Attorney Stewart to give his opinion.

Attorney Stewart stated the request for proposals did not indicate that we would have competitive alternate bidding after the proposals were received. He stated he would agree with Mr. Pawluk that the Airport Authority should get the maximum amount it can so that may be the way to do it, which would require rejecting the proposals and starting over.

Continued Discussion Regarding Proposals Received for Hangar #2 and Hangar #4: (Continued)

Mr. Pawluk stated he suggests we lease either properties to the interested party on a month to month lease or a two to three year lease, as long as it is on a shorter term so that it does preserve some of our options to sell them in the future or use them for other purposes. He stated he does not know that leasing them for a long term at a below market rate is in the best interest of the Airport Authority.

Mr. Kilander stated he is not sure it adds to the value for the lessee to have a short term lease. He stated we need to make a determination if we just want someone occupying the structure keeping the heat and lights going on a month to month basis, or do we want to foster the long term viability of whatever entity enters into a rental agreement with us.

Gen. Macdonald stated he agrees it is in the best interest of the airport to have two financially secure (if there is such a word) FBOs on the airport. He stated he has not talked to either parties interested so he does not know if there is a mutual place at which the two would agree. He stated he agrees with Mr. Kilander that we could not rent it on a month to month basis but a lease could contain a clause with a sufficient notice of cancellation so as not to interrupt the tenant's business.

Mr. Sweeney stated he was not at the last meeting, but from reviewing the minutes it was quite clear that the proposals received were submitted by the due date from two parties and the proposals were not rejected at the last meeting. He stated he would expect that the Airport Authority would act accordingly and either accept the proposals or make some rational decision today. He stated he is not certain why a decision was not made at the last meeting. He stated he does not know why the board would even consider accepting proposals after the due date. He stated their proposals for both the lease and the purchase of the hangars were serious proposals.

Gen. Macdonald moved the Airport Authority accept the proposal from Fargo Jet Center for the lease of Hangar #4 for a term of three years, with no renewal options, at a monthly lease rate of \$3,010, and that we reject all bids for Hangar #2 and readvertise, as neither proposals received were fair.

Second by Mr. Kilander.

Mr. Kilander stated by passing this motion we will be rejecting Fargo Jet Center's original bid as the lease term is different than proposed.

Mr. Sweeney stated he is certainly here to resolve this today. He stated he would like a term of five years.

Mr. Kilander moved to amend the motion to change the term from three years to five years.

Second by Gen. Macdonald.

On the motion to amend the original motion, members Kilander, Macdonald and Clark voted aye.

Mr. Pawluk voted no.

The amendment to the motion was approved.

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Chairman Clark called for a vote on the amended motion.

Members Kilander, Macdonald and Clark voted aye.

Mr. Pawluk voted no.

Continued Discussion Regarding Proposals Received for Hangar #2 and Hangar #4: (Continued)

Gen. Macdonald stated he would like the board to authorize Mr. Dobberstein to meet with the two parties interested in Hangar #2.

Mr. Dobberstein stated the only option there is who is going to give more than is already on the table. The original offer from Fargo Jet Center was \$1,200 and a subsequent offer from Fargo Aero Tech was \$1,500.

Mr. Pawluk suggested we state the amount we want.

Gen. Macdonald stated we may not see any interest if we do that.

Mr. Dobberstein asked if he should speak to parties other than the two.

Mr. Pawluk stated while we are not seeking additional proposals, we will certainly listen to anything that comes forward. He stated the previous proposals were rejected.

Received Communication from Lamb Car Rental, Inc.:

Mr. Dobberstein stated we received a communication Mr. Maurice Lamb dated February 4, 2003, along with a copy of a letter from the Vice President and General Counsel for ANC Rental dated January 13, 2003. He stated this gives an update on the consolidation of National and Alamo and some of the things that have happened through the Third Court of Appeals.

Mr. Dobberstein stated Mr. Lamb is in a situation where he will lose his National franchise and will be required to take on the consolidated franchise which will offer both National and Alamo. He stated this is Mr. Lamb's notification that this will be taking place sometime in the near future.

Mr. Dobberstein stated there is no action required by the board. He stated our agreement is with Mr. Lamb and he is advising us of what his franchise agreement will require.

Mr. Scott Bothfeld, Enterprise Rent a Car, was recognized and stated National has over 4,000 locations throughout the US and he believes they have been successful in completing this at only 84 locations. He stated his overall concerns come from the fact that National and Alamo have separate websites, so he is fearful that a whole separate new company is coming on the airport. He stated he would like the Airport Authority to get a copy of the ruling and see if it pertains to this airport. He stated he is finding that in most cases where they have been successful both National and Alamo have already been on site. He stated he is fearful they are using this only when it is to their benefit.

Gen. Macdonald stated Mr. Lamb's letter indicates he is obligated under his franchise and he is certain that Attorney Stewart will review the matter and advise the board accordingly.

Mr. Lamb stated that ANC has cancelled all of the original National franchise agreements and he is required to take on the consolidated franchise. He stated the Airport Authority's agreement is with Lamb Car Rental, not National Car Rental.

Mr. Kilander stated he agrees this is a forced consolidation and our agreement is with Mr. Lamb.

Mr. Pawluk stated he agrees we do not have any other option.

Mr. Dobberstein stated he believes that Avis and Budget are not too far behind with similar action.

Authorized Execution of Lease Agreement with Bernie Ness for Southeast Facility:

Mr. Dobberstein stated Attorney Stewart has finalized the lease for Mr. Bernie Ness on his service facility on the south end of the airport. He stated the lease contains adequate language to address the concerns of the board on maintenance and aesthetics.

Mr. Pawluk moved to authorize the signature of the land lease with Mr. Bernie Ness for his service in the southeast area of the airport.

Second by Mr. Kilander.

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

Reviewed Enterprise Proposed Modifications to Counter Area:

Mr. Dobberstein distributed copies of the request from Enterprise to modify their office/counter area in the terminal. He stated he included information on dimensions of the existing space for the other car rental agencies. He stated the total square footage for the other four agencies is 222 sf. He stated the former Thrifty space Enterprise will occupy is currently 205 sf., and they are proposing to expand the length of the counter area from the current eight linear feet to 13 linear feet. He stated one of the drawings they proposed showed 19 linear feet of counter space. He stated he is obligated to follow the size of the existing counters with the other four agencies and their counters are 16 feet in length.

Mr. Dobberstein stated if Enterprise wished to expand the area he was not going to authorize them to exceed the 220 sf that the other agencies have, otherwise we know we are going to hear from all four of the other agencies.

Mr. Kilander asked if the agreement stated that the maximum square footage is 220 sf.

Mr. Dobberstein stated the lease does not state that, but the precedence has been set with the other four agencies.

Gen. Macdonald moved the board authorize the Executive Director to negotiate with Enterprise and arrive at a solution.

Motion failed for lack of a second.

Mr. Pawluk asked what the big deal is if they want a little more square footage in the corner. He stated if we had that square footage available to any of the others we would give it to them.

Mr. Dobberstein stated he would rather not open that can of worms. He advised Mr. Pawluk that he is welcome to sit down with the other four car rental managers and owners and listen to their comments.

Mr. Kilander asked if there is any reference to square footage in our present car rental agreements, and is there anything we have done prior to this point to inhibit any of the other four agencies from looking at this space instead of the space they have.

Mr. Dobberstein stated he is not aware of anything that would have prohibited them from doing that.

Mr. Kilander asked then where is the dilemma.

Reviewed Enterprise Proposed Modifications to Counter Area: (Continued)

Mr. Mark Hovde, Hertz, was recognized and stated if the Authority wants to open that Pandora's Box then they are going to ask for more car parking spaces and who knows what it will be after that. He stated they could argue that space should be based on market share. He stated their current space is insufficient and they are the largest provider on the airport as far as total number of cars. He stated up until Enterprise has entered the picture they have all had equal space. He stated the Airport Authority will hear from legal counsel if they expand their space.

Mr. Kilander asked Attorney Stewart if there is anything in any of the leases that restricts any of the tenants we have from coming to the Airport Authority and requesting changes whether it be parking spaces, lighting, or whatever.

Attorney Stewart stated there is not anything in the leases but a lot of it is up to the discretion of the Executive Director.

Mr. Kilander stated he feels because of the controversy this is one matter the board should take off the Executive Director's shoulders.

Mr. Pawluk stated he would like to point out that we are talking about 12 square feet.

Mr. Pawluk moved to approve Option #3 as requested by the tenant.

Second by Mr. Kilander.

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

Received Communication from Federal Aviation Administration Regarding Proposed Airport Property Lease:

Mr. Dobberstein stated Mr. Roger Gress and Mr. Earl Stewart from the Fargo Park District were before the board in December requesting the possibility of leasing some airport property for the purpose of creating a neighborhood park. He stated at the direction of the board he submitted the necessary request to the FAA Airports District Office in Bismarck and we have received their response dated January 16, 2003.

Mr. Dobberstein stated the FAA indicates they have no objection to the Authority leasing this location, as long as we meet the parameters identified in the letter. He stated he has passed this information on to Mr. Gress.

Mr. Dobberstein stated the Park District would not begin the project until after the tenant farmer has harvested his 2003 crop.

Received Update on Airport Tree/Shelterbelt Maintenance Projects:

Mr. Dobberstein stated this is just an update on our Airport Tree Master Plan. He stated the City Forester is soliciting requests for various options to maintain the shelterbelts in accordance with the plan. He stated bids were to be received by February 7 but he has not yet seen the results. He stated Mr. Liudahl estimated \$16,000 to go through and clean up the area.

Mr. Pawluk asked if we have designated an area cleared off the approach end of Runway 26.

Mr. Dobberstein stated we certainly could but that has not been part of the plan.

Received Update on Airport Tree/Shelterbelt Maintenance Projects: (Continued)

Mr. Pawluk stated that is important to him. He stated he thinks if an airplane goes down either approaching the airport or after take-off they deserve to have a slot in the trees so they don't get caught in the trees.

Mr. Dobberstein asked if that is the concurrence of the board.

Mr. Kilander stated he is not a pilot so he could not answer that, but if it were deemed responsible from a safety standpoint he would support that.

Mr. Pawluk stated he would like to see a 200 foot opening.

Received Communication from AT&T Regarding Pay Phone Contract:

Mr. Dobberstein stated we received a phone call and a subsequent communication dated January 30, 2003, from Mr. Bill Gauger, AT&T, advising that they will be removing our AT&T public phones which have TDD capability. He stated we are now exploring some other options to provide at least one TDD phone.

Mr. Dobberstein stated this is just a matter of record as we have a contract with AT&T and this is a change in that contract.

Received Update Regarding Proposed ASR-11 Project Site:

Mr. Dobberstein stated the Airport Authority has had considerable discussion regarding the FAA's recommended site for the proposed ASR-11 Radar. He stated we had some question and concern about Item #1 in their guidelines regarding development adjacent to the radar facility, which they have since amended as of last week. He stated the guidelines state that new structures within 1500 feet of the ASR-11 would be limited to 67 feet or the height of the radar deck, whichever is lower. He stated that statement led us to believe that they could put the radar deck at 20 feet if they wanted. He stated they have now revised that statement to basically accommodate a three story building (50 feet) or the height of the radar deck, whichever is lower. He stated all of the designs for this facility within the FAA show the radar deck at 67 feet. He stated he thinks this protects our concerns.

Mr. Dobberstein stated if this wording meets with the board's approval he will advise the FAA and they will continue with the design process. He stated it is his understanding that we are still on track for a 2004 start of construction.

Mr. Pawluk asked if this resolves the concerns of the Airport Authority.

Mr. Dobberstein stated it does resolve those concerns for him. He stated Mr. Anderson also indicated some concern about the aesthetics of the location, as well as the development restrictions. He stated in all of the testing Raytheon did for the FAA the proposed location definitely provides the best radar coverage. Mr. Dobberstein stated he is satisfied that this now protects us and we can develop the property adjacent to the site.

Mr. Dobberstein stated at some time we will be receiving a proposed lease proposal from the FAA for the board's approval.

Received Fourth Quarter 2002 PFC Report:

Mr. Dobberstein distributed copies of the PFC Report for the fourth quarter of 2002. The report was received and filed without objection.

Reviewed Preliminary PFC Application #6 Project List:

Mr. Dobberstein stated we have started with the PFC application process for PFC Project #6. He stated he estimates our currently authorized PFC collection will be complete by September or October 2003, so our main goal is to not have a lapse in collection authority. He stated discussion of some of the items in this application will be covered in the next agenda item.

Received Update on Proposed 2003 Construction Projects and 2004 Runway 17/35 Project:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he does not have any handouts for this discussion. He stated he previously distributed an estimate on the 2003 projects. He stated he does not know where the funding will be so we are breaking them up into individual projects and bid them as we have in the past where we can award any or all of them.

Mr. Synhorst reviewed the various projects proposed for this year. He stated once we get the major projects set we are going to continue with rehabbing the southeast general aviation area and try to pick up some of the other projects that have been done in the past, such as the museum apron and Taxiway A.

Mr. Synhorst stated our goal is to get the bids by April 17 and award them on April 22 at the Authority meeting. He stated we will have a good idea where the grant process is by then.

Mr. Synhorst stated we do have to contend with an air show this summer so that is figured into the plans and specifications.

Mr. Synhorst stated as far as the Runway 17/35 reconstruction project, he stated we have a meeting with the regional FAA representatives on Thursday. He stated that meeting will be to discuss the reimbursable agreement for relocating the ILS and all of the other navigational aids.

Mr. Synhorst stated the FAA wants us to maintain a safety area during the time we will be reconstructing Runway 17/35 and using Taxiway A as the runway. He stated this will require the relocation of some perimeter fence. He stated there are also some drainage issues but the FAA has agreed that it is not worth spending that much money for just a temporary safety area.

Mr. Synhorst stated he has been in contact with Northwest Airlines officials regarding the runway reconstruction project and they are pleased that they have been brought in early in the process. He stated it is their plan right now not to operate Airbus aircraft during the construction process but will use DC-9s and regional jets.

Mr. Synhorst extended the invitation to anyone who wanted to stop by their office to look further at plans and address any other concerns.

Mr. Dobberstein stated we plan to have everything within the Runway 17/35 safety area done in 2004. He stated Congress has started 2004 budget discussions. He stated there is an opportunity

Received Update on Proposed 2003 Construction Projects and 2004 Runway 17/35 Project:
(Continued)

in March to attend the AAAE Legislative Conference, at which Senator Dorgan will be a keynote speaker. He stated this might be an opportunity to meet with our congressional delegation and get this in the loop. He stated we have conveyed to them the fact that we are going to need significant support to get a lot of discretionary dollars for this project.

Mr. Dobberstein stated this project will be over \$26 million. He stated we will commit two to three years of entitlement funds which we estimate at \$2 million per year, bringing us down to \$20 million. He stated we hope there will be some contribution from the National Guard Bureau since there are items in the project for them, such as the arresting barrier. He stated we do not know how much that will be, anywhere from \$1-\$5 million. He stated we are looking at requesting anywhere from \$11 to \$15 million in discretionary funds for 2004. He stated if there is some way, with the help of the FAA, we would like to break that funding request into 2004 and 2005.

Mr. Dobberstein stated the FAA/ADO in Bismarck has advised that we will need to seriously consider funding a major part of this ourselves through revenue bonds. He stated in the PFC application we are currently working on we have increased our local funding share for the runway project to \$6 million. He stated we can raise that to \$7 or \$8 million, however, we cannot reimburse through PFC for more than the amount of our bond issue. He stated the unknown factor is how much we should put into our PFC. He stated he thinks our chances of getting more than \$8 million in discretionary in any one year is probably pretty slim. He stated there are a lot of unknowns, yet it is time critical fight now for us to know now. He stated our primary funding plan is through entitlement funds and discretionary and our backup funding plan is through PFC.

Mr. Synhorst stated Mr. Tom Schauer, FAA/ADO, has indicated that he doubts very much that we will get \$14 million in discretionary funds in one, but we are going to ask for it. He stated if we can come in and show that we as an Airport Authority are ready to fund some of the project, the FAA will look at that as that being big interest in getting this project done. He stated we may not get \$14 million, but instead of \$8 million we might get \$10 or \$12 million.

Mr. Pawluk asked if centerline lighting is part of this project.

Mr. Synhorst stated right now we have at least the cans and conduit to the cans for the centerline lighting. He stated we are still working on getting the justification for the centerline lighting. He stated the cost of the fixtures for the centerline lighting is included in the \$26 million.

Mr. Jim Sweeney, Fargo Jet Center, asked if this project is going to include high speed exit taxiways. He stated since this runway will be use for a couple of decades that might be something to consider.

Mr. Synhorst stated we have not really looked at that issue in any great detail.

Discussed Boarding Bridge Use Agreements:

Mr. Dobberstein stated at the last meeting he was directed to review the rates and charges to the airlines to see if we could identify a possible fee reduction to the air carriers. He stated it would be his recommendation to change our agreements on the boarding bridges. He stated our current agreement calls for \$50 per operation or a monthly maximum of \$1,500 per month. He stated if the

Discussed Boarding Bridge Use Agreements: (Continued)

Airport Authority wanted to reduce this amount he would recommend \$50 per operation and a monthly maximum of \$750 for calendar year 2003 and re-evaluate that again before 2004. He reviewed the change in figures that would result.

Mr. Kilander asked what we are trying to accomplish. He stated it was his impression that the routes from Fargo are profitable for both airlines. He stated the airlines seem to get more and more competitive on their major hub routes, yet it does not seem that they want to get more competitive on the Fargo route. He stated while we understand their financial dilemma and we want to be nice to them, it may come back to bite us rather than help us.

Mr. Pawluk stated his reason for suggesting this was that United Airlines is in bankruptcy and Northwest Airlines has lost millions of dollars. He stated we are very fortunate to have the number of flights we have out of Fargo. He stated he feels if we can continue to show our appreciation to them for the service they provide us then this is a small price for us to pay to keep our service.

Gen. Macdonald stated when airlines were going to airports and requesting for reductions in fees they did not come to us. He stated Fargo is a very profitable place for the airlines and their cost per passenger is not necessarily important to them. He stated he is concerned if we lower the bridge rental fee for a year they will probably come a year from now and ask why we are raising the fees. He stated maybe something more like no fees to the airlines for one week or one month may get their attention. He said whatever we we want to make a big splash.

Mr. Pawluk stated we are so extremely fortunate to have the number of flights we have per day.

Mr. Kilander stated no matter what we do to show our appreciation, whether it is a reduction in fees or we show recognition otherwise, they are still going to be profitable in Fargo.

Gen. Macdonald stated rather than a reduction in fees he would rather see us waive fees for a specified period of time.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated he could not sit on his hands on this matter. He stated the Airport Authority is not dealing with United Airlines, they are dealing with three regional carriers. He stated he does not know the details of the financial condition of the regional carriers but he would guess that they are pretty good actually. He stated he thinks it is a great idea to recognize them but if no reduction was requested why is that being considered. He stated a \$9,000 reduction in costs in Fargo is not going to get to the top decision makers. He stated he thinks that would be the wrong direction to take.

Mr. Pawluk stated the goal was to help Fargo in the eyes of the airlines.

Gen. Macdonald stated maybe we should look at another appreciation event such as we held in 2001.

Mr. Pawluk stated it might not even be so much appreciation as it is recognition that the airlines are losing millions of dollars.

Gen. Macdonald moved to proceed with another appreciation event for the airlines serving Fargo.

Second by Mr. Pawluk.

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

Authorized Attendance at the Upper Midwest Aviation Symposium, March 1-4, 2003, Grand Forks:

Gen. Macdonald moved to authorize attendance at the Upper Midwest Aviation Symposium, March 1-4, 2003, Grand Forks, ND, by board members and staff members.

Second by Mr. Pawluk.

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

Authorized Attendance at the 75th Annual AAAE Conference, Los Angeles, April 27-30, 2003:

Gen. Macdonald moved to authorize attendance at the 75th Annual AAAE Conference, Los Angeles, April 27-30, 2003.

Second by Mr. Pawluk.

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

Adopted Resolution of Appreciation to Outgoing Chairman Robert Anderson:

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

WHEREAS, Mr. Robert Anderson has just completed a year as Chairman of the Municipal Airport Authority, and

WHEREAS, During the year of Mr. Robert Anderson's chairmanship the Municipal Airport Authority has moved steadily and successfully forward with numerous improvements to the airport, and

WHEREAS, Mr. Robert Anderson has labored diligently and given unsparingly of his time and expertise in many areas serving as Chairman of the Municipal Airport Authority.

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

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

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, February 25, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:57 a.m.

The Municipal Airport Authority adjourned to executive session.

Regular Meeting

Tuesday

February 25, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 25, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 11, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held February 11, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$20,501.70:

Gen. Macdonald moved to approve the airport vouchers totaling \$20,501.70.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Johnson Controls:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,587.00 to Johnson Controls for Partial Payment Request #4 for airport security access update project, AIP27.

Second by Mr. Kilander.

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

Approved the Individual Voucher to MinKo Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,498.00 to MinKo Construction for Partial Payment Request #1 for construction of restaurant remodeling project.

Second by Mr. Kilander.

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

Approved the Individual Voucher to Ron's Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$810.00 to Ron's Electric for Partial Payment Request #1 for electrical construction of the restaurant remodeling project.

Second by Mr. Kilander.

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

Approved Change Order Request G-6 Associated With Hangar #2 Resulting in a Deduction of \$3,394.00 (Final):

Mr. Dobberstein stated this change order results in a deduction of \$3,394.00 for the Hangar #2 project. He stated this is the balance of the work associated with the office addition which has not yet been done since we do not have a tenant. He stated this work will remain undone until a tenant would require the office addition.

Mr. Dobberstein stated we also received a communication dated February 13, 2003 from Olaf Anderson & Son as formal notice that they will warranty repairs to the concrete apron and threshold area for five years.

Mr. Kilander moved to approve Change Order No. G-6 to the Hangar #2 Project.

Second by Mr. Pawluk.

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

Anderson abstained.

The motion was declared carried.

Received 2002 Improvement Fund Statement:

Mr. Dobberstein distributed the preliminary 2002 Improvement Fund Statement. He stated the audit will not be finished until May or June so there may be some slight adjustments, but nothing significant.

The report we received and filed without objection.

Received Preliminary 2002 Operations and Maintenance Statement:

Mr. Dobberstein distributed the preliminary 2002 Operations and Maintenance Statement. He stated this will see some slight changes after audit as well, but nothing significant.

The statement was received and filed without objection.

Received Update on Proposed Airport Construction Projects:

Mr. Dobberstein stated we met with Ulteig Engineers and representatives of the Federal Aviation Administration regional office last week. He stated they were here on behalf of Airway Facilities so that they can plan for the items that need to be changed when we reconstruct the runway in 2004. He stated included in the discussion were representatives from the local tower and local airway facilities people. He stated we are moving forward with the reimbursable agreement which we have discussed in the past. He stated as of yesterday they provided a follow-up outlining who is responsible for what in the project.

Mr. Dobberstein stated Mr. Synhorst is continuing to prepare phases for our 2003 construction projects, taking into account that we have to host an air show here on July 4.

Mr. Synhorst stated he sent final payment requests to Nodak Contracting for the Runway 8/26 project. He stated it seems they have accepted the fact that they are going to be assessed liquidated damages for 29 days amounting to approximately \$19,000.

Mr. Dobberstein stated the restaurant project is moving ahead. He stated they are still offering all services during the construction.

Authorized Modification to Eastside Terminal Tenant Entrance (AvSupport/Dakota Air Parts International):

Mr. Dobberstein stated when he previously reported on the initial review of the Eastside Terminal we discussed the code issue with the one door for the AvSupport space. He stated he estimates the cost of the door modification to be \$2,000-\$3,000 and would like to take care of this matter as soon as possible.

Mr. Pawluk suggested we consider cleaning up the old café area and possibly getting someone to do it on a time and material basis. He stated we are going to have to do something with the area.

Mr. Dobberstein stated we did have one proposal before us to make the space just one large area. He stated Mr. Tony Grindberg, NDSU Tech Park, indicated they might be interested in that area to be used as incubator space for a company wishing to locate in the park. He added that he has not been able to get any consensus from any of the building tenants on what they would like to see on the first floor. He stated AvSupport may request we renovate a large area which they now use for storage so that it could be occupied as office space.

Authorized Modification to Eastside Terminal Tenant Entrance (AvSupport/Dakota Air Parts International): (Continued)

Mr. Pawluk stated he is not necessarily saying he thinks we should make all of the proposed changes to the building, but asked if the other members felt we should at least clean up that café area.

Mr. Dobberstein stated cleaning it up may make it more possible to rent it. He stated a lot of people have a hard time visualizing doing something with it in its current condition.

Mr. Kilander stated he feels we need to make the first step and make a decision on what we want to do with the building. He asked if we want a rentable asset or just have the building there in case someone needs the space and address it at that point in time.

Gen. Macdonald stated he feels we want a rentable asset. He stated he agrees with Mr. Pawluk that maybe this would be a good opportunity to clean up the café area.

Mr. Anderson stated he does not see spending all of the money on the mechanical and electrical work at this time, but rather just cleaning up the space.

Mr. Pawluk stated we will have to do the basic clean up no matter what we decide to do with the area.

Mr. Anderson stated we should probably have Foss refine their proposal to reflect these changes.

Gen. Macdonald moved to authorize the Executive Director to enter into a contract to clean up the café area and to make the necessary modifications to the AvSupport door to meet building code. He stated Mr. Dobberstein has an idea of what the board wants for the café area.

Second by Mr. Kilander.

Mr. Pawluk stated when we do our budget for next year we will need to look at including some funds for the Eastside Terminal.

Mr. Dobberstein stated there are some funds included in this year's budget but he does not recall the amount.

Chairman Clark called for a vote on the motion.

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

Other Business:

At the request of Gen. Macdonald, Mr. Steve Synhorst, Ulteig Engineers, reviewed some of the timeline for the Runway 17/35 reconstruction project.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 11, 2003 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:49 a.m.

Regular Meeting

Tuesday

March 11, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 11, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Pawluk, Kilander
Absent: Macdonald, Clark
Others: Stewart

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 25, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held February 25, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$21,759.22:

Mr. Anderson moved to approve the airport vouchers totaling \$21,759.22.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk and Kilander voted aye.
Absent and not voting: Macdonald, Clark
The motion was declared carried.

Approved the Individual Voucher to Sherman Plumbing & Heating:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,590.00 to Sherman Plumbing & Heating for Payment Request #1 for mechanical construction of restaurant remodeling project.

Second by Mr. Anderson.
On the call of the roll, members Anderson, Pawluk and Kilander voted aye.
Absent and not voting: Macdonald, Clark
The motion was declared carried.

Approved the Individual Voucher to Cinergy Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$76,028.81 to Cinergy Communications for Payment Request #3 (Final) for Flight Information Display System Project (APFC05).

Second by Mr. Anderson.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to MinKo Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$13,434.00 to MinKo Construction for Payment Request #2 for general construction of restaurant remodeling project.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk and Kilander 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 \$17,917.82 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Runway 17/35 Reconstruction Projects, AIP28.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk and Kilander 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 \$4,270.30 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP28.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk and Kilander 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 \$435.54 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. Anderson.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Approved the Individual Voucher to Ron's Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$18,936.00 to Ron's Electric for payment Request #2 for electrical construction of restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Macdonald, Clark

The motion was declared carried.

Received Proposed Airfield Construction Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated that the Airport Authority had some previous discussion of the batch plant for the runway reconstruction project. He stated since then he has had some discussion with the City of Fargo's traffic engineer and engineering department and the requirements for a batch plant that is going to be up more than eight months. He stated it cannot be within 300 feet of residential areas. He stated he is now proposing that the batch plant be in the south west side of the airport, west of the access road and north of Old 81.

Mr. Dobberstein stated this is an area currently leased by NDSU and he has advised them that this summer after their second cutting of alfalfa we will probably strip 20 acres to accommodate the batch plant. He added that the land will be returned to them after the batch plant is gone.

Mr. Dobberstein stated there is the potential that we will have quite a bit of crushed concrete left over and the State Highway Department will probably be interested in purchasing that for their projects, if it meets their specifications.

Mr. Dobberstein added that all of our congressional member and their appropriate staff people are aware of our request for \$15 million in discretionary funding for this project.

Received Update on Restaurant Remodeling Project and Proposed Eastside Terminal Project:

Mr. Dobberstein stated Mr. Cowman, Foss Associates, was not able to attend the meeting today. He stated Mr. Cowman has indicated the board members are welcome to review the project at any time and we do have meetings every Wednesday at 1:30 p.m.

Mr. Dobberstein stated progress on the project has been good so far.

Mr. Dobberstein stated he met with Mr. Cowman at the Eastside Terminal to review the project to replace the one interior office door to meet building code. He stated they have also met with Obermiller Nelson Engineering and Ulteig Engineers on the project to do some basic clean-up remodeling of the former café area. He stated that project basically includes removing the serving wall between the dining room and the kitchen to open up the area and also add one wall to provide storage area. He stated Foss is going to solicit informal bids from some contractors looking for work.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 8, 2003, at 8:00 a.m.

Time at adjournment was 8:14 a.m.

Regular Meeting

Tuesday

April 8, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 8, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 11, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held March 11, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$28,685.49:

Mr. Pawluk moved to approve the airport vouchers totaling \$28,685.49.
Second by Gen. Macdonald.
On the call of the roll, members Macdonald, Pawluk and Kilander voted aye.
Absent and not voting: Anderson, 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 \$2,869.02 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.
Second by Mr. Pawluk.
On the call of the roll, members Macdonald, Pawluk and Kilander voted aye.
Absent and not voting: Anderson, 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 \$978.57 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project (furnishings).

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Cook Sign Company:

Gen. Macdonald moved to approve the individual voucher in the amount \$2,268.16 to Cook Sign Company for payment request for refinishing security checkpoint façade.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, 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 \$455.00 to Hansen Design Associates for payment request for architectural services in connection with the Airport Tree Master Plan Project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Carr's Tree Service:

Gen. Macdonald moved to approve the individual voucher in the amount of \$17,350.00 to Carr's Tree Service for payment request for airport shelterbelt projects.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, 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 \$6,987.46 to Flint Communications for payment request for 2003 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Sherman Plumbing & Heating:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,290.00 to Sherman Plumbing & Heating for payment request #2 for mechanical construction of restaurant remodeling project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,759.40 to Ron's Electric for electric construction of restaurant remodeling project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to RDO Equipment:

Gen. Macdonald moved to approve the individual voucher in the amount of \$421,800.00 to RDO Equipment for the purchase of a John Deere 644H and a John Deere 744J Front End Loader and attachments.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$61,168.77 to Nodak Contracting for Payment Request #11 (Final) for general construction of Runway 8/26 and Taxiway C Extension and West Perimeter Road Project (AIP25), including the NDANG Arm/Disarm Apron and Runway 8/26 Safety Area Project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Nodak Contracting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$17,021.12 to Nodak Contracting for payment request (final) for electrical portion of Runway 8/26 and Taxiway C Extension and West Perimeter Road Project, AIP25.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, 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 \$2,099.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PFC #6 application.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, 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 \$4,437.91 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 Kilander voted aye

Absent and not voting: Anderson, 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 \$34,671.49 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Project AIP28.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, 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 \$588.14 to Ulteig Engineers, Inc. for payment request for engineering services in connection with Runway 8/26 and Taxiway C Extension Project, AIP25.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$238.08 to Forum Communications for advertisement for bids for restaurant furnishings.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to Custom Terrazzo:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,950.00 to Custom Terrazzo for repairs to terrazzo floor, Westside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Approved the Individual Voucher to MinKo Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$46,306.00 to MinKo construction for payment request for general construction of the restaurant remodeling project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson, Clark

The motion was declared carried.

Received Bid Tabulation and Recommendation of Award for the Proposed Entryway Sidewalk Replacement Project:

Mr. Dobberstein stated bids for the proposed entryway sidewalk replacement project were received on April 3, 2003. Bids received were as follows:

		Option B	Option C
CM of North Dakota	\$98,600.00	- 8,600.00	-1,200.00
Municipal Industrial	\$90,600.00	- 1,500.00	- 1,000.00
Opp Construction	\$83,270.00	+4,600.00	- 975.00
Gnoinsky Bros. dba Strata	\$90,531.00	- 5,000.00	- 4,000.00

Mr. Dobberstein stated we received this bid tabulation from Mr. Terry Stroh, TL Stroh Architects, along with their recommendation that the bid be awarded to Opp Construction for their base bid of \$83,270.00 and Option C for a deduct of \$975.00. He stated that Mr. Stroh is also recommending that we deduct another \$3,600.00 to delete four bollards, for a total amount of \$78,695.00.

Mr. Dobberstein stated the architect's estimate was \$70,000. He added that Opp Construction has indicated they can complete the project in a 30 day schedule. He stated Fargo Electric will be doing the electrical portion which is about \$33,000.

Gen. Macdonald moved to award the entryway sidewalk project to Opp Construction as recommended by TL Stroh Architects.

Second by Mr. Pawluk.

Mr. Pawluk stated this is certainly a lot of money to be spending at the same time we are struggling to figure out how we are going to finance the runway project. He stated he certainly acknowledges that we need to do something in that area but he feels this has gotten away from what we had originally discussed.

Gen. Macdonald stated he agrees with most of what Mr. Pawluk said but we have hired an architect for the project and have been working on it for over a year and it is time to get it done. He stated he looks at our passenger boardings and he is not sure that having a nice place to come to has anything to do with it but we are doing great. He stated our boardings are up and most of those passengers have to walk through that area. He stated he feels we should press on with this project.

Mr. Dobberstein stated that we did have \$70,000 budgeted for this project.

Received Bid Tabulation and Recommendation of Award for the Proposed Entryway Sidewalk Replacement Project: (Continued)

Vice Chairman Kilander called for a vote on the motion.

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

Reviewed Change Orders #1 and #2 to Ron's Electric for Electrical Portion of Restaurant Project, Increase of \$1,385.00:

Mr. Dobberstein stated one of the change orders in the amount of \$493.00 is for the cost to add a phone line for the credit card transaction machine at the cashier counter and a phone line on the wall next to the deli storage area. He stated this will also connect the existing master clock system and power to a new clock. He stated the final item is a volume control switch for the PA system. He stated the other change order is for some accent lighting for the bar, which is tied into a change order to MinKo Construction. He stated he would recommend approval of these change orders.

Mr. Pawluk moved to approve Change Orders #1 and #2 to Ron's Electric for the electrical portion of the restaurant project for an increase of \$1,385.00.

Second by Gen. Macdonald.

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

Reviewed Change Order #1 to MinKo Construction in the Amount of \$3,436.00 and Change Order #2 for a decrease of \$700.00 for the Restaurant Project:

Mr. Dobberstein stated Change Order #1 deals with the aesthetics of the bar. He stated this will add a wood armrest along the edge of the bar and some additional metal for foot rests. He stated Change Order #2 takes out \$700.00 for the purchase of televisions which we will purchase directly.

Mr. Pawluk moved to approve Change Orders #1 and #2 to MinKo Construction as outlined.

Second by Gen. Macdonald.

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

Received Update Regarding Proposed Eastside Terminal Modifications and Current Restaurant Project Status:

Mr. Dobberstein stated after a more intense review of the old café area in the Eastside Terminal, Mr. Bill Cowman, Foss Associates submitted further details in a letter dated March 28, 2003. He stated at a recent meeting the Airport Authority authorized him to go forward with a basic plan to clean up that area, with costs not to exceed \$25,000. He stated Mr. David Obermiller, Obermiller Nelson Engineering, took a look at the project along with Foss Associates, and to do the bare minimum will cost at least \$35,000 plus fees. He stated that would address one of the big ticket items, which is the HVAC system.

Received Update Regarding Proposed Eastside Terminal Modifications and Current Restaurant Project Status: (Continued)

Mr. Bill Cowman, Foss Associates, was recognized and stated we could retain the existing acoustic tile ceiling in the west area and just do some patching repairs, and then install new acoustic tile ceiling in the east area. He stated nothing would be done to the ceiling in the existing storage room.

Mr. Cowman stated the wall would be left in place and he would suggest cutting the serving window in that wall all the way down to the floor which would open up the two spaces. He stated in terms of bare bones improvements this would at least dress it up a little and make it a functional space. He stated he would recommend not spending a lot of money on the carpet.

Mr. Cowman stated we would also be adding some electrical outlets since the area would probably be used as office space. He stated he would also recommend a light commercial grade furnace for the area. The furnace would have discharge ductwork that would be installed at the ceiling level inside a soffit and the air discharge into the space would be through sidewall registers.

Mr. Pawluk stated he would suggest waiting with the carpet until we have a tenant and allow them to choose the carpet.

Gen. Macdonald stated he agreed and the tenant may like to have the choice on carpet.

Mr. Cowman stated the lighting will also need to be addressed. He stated we could relamp and clean the existing fixtures in the west area and install new 2x4 fixtures in the east area complete with new circuits.

Mr. Pawluk stated he feels we should go ahead and remove that wall, replace the entire ceiling and the lighting. He asked Mr. Dobberstein if he felt it would be a mistake to remove the wall.

Mr. Dobberstein stated he did not think it would be a mistake. He stated the space would be useable either way and everyone will have their own opinion. He stated there has been interest expressed in leasing the space.

Mr. Pawluk moved to accept the proposal from Foss Associates, with the modifications to include waiting with the carpet and let the tenant choose the carpet, remove the existing wall, replace the entire ceiling and add light fixtures.

Second by Gen. Macdonald.

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

Mr. Cowman indicated he would solicit informal bids within the next month.

Vice Chairman Kilander stated he would like to see this done as soon as possible.

Regarding progress of the restaurant project, Mr. Cowman indicated the project is on schedule. He stated they will probably be combining Phase 2 and 3 into one phase. He added the bids for furnishings will be received by the next meeting.

Discussed Proposed 2003 Airfield Construction Project:

Mr. Steve Synhorst, Ulteig Engineers, distributed an opinion of cost for the 2003 airport improvement project which has been broken into the following bid schedule:

- Reconstruct Taxiway B – General Construction
- Reconstruct Taxiway G2 – General Construction
- Relocate Runway 13/31 Thresholds & Construct Taxiway G3 – General Construction
- Remove and Replace Fence (to meet safety criteria for Runway 17/35 Project)
- Construct Staging Area/Batch Plant Site for Runway 17/35 Reconstruction
- Reconstruct Taxiway B – Electrical Construction
- Reconstruct Taxiway G2 – Electrical Construction
- Relocate Runway 13/31 Thresholds & Construct Taxiway G3

Mr. Synhorst stated these items will be bid separately so we can award any or all of them, depending on funding. Mr. Synhorst stated the total estimate for Project AIP 28 is \$3,001,160.00, of which the FAA's share will be \$2,701,044.00 and the local share will be \$300,116.00. He stated the entitlements for this year are expected to be \$2.2 million so we are about \$500,000 short. He stated we will certainly work for some discretionary funds but if we do not receive those we will postpone the batch plant, unless he is way off on his estimate and the numbers come in a lot lower.

Mr. Synhorst stated when he set the bid date for the project he did not take into consideration the Easter holiday weekend. He stated we are scheduled to bid Monday, April 21. He stated he did have a call from one local contractor asking if we could move the bid date. He stated we cannot move it to sooner, so we could leave it as is, change it to Tuesday morning and open the bids during the meeting, or move the bid date to Wednesday and take action on Tuesday to award based on the engineer's recommendation and FAA funding.

After discussion, Gen. Macdonald moved to change the bid date to our meeting date of Tuesday, April 22, 2003, 8:00 a.m.

Second by Mr. Pawluk.

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

Reviewed Change Orders to Nodak Contracting for the General and Electrical Construction of the Extension to Runway 8/26 and Taxiway C, and West Perimeter Road Project, AIP25:

Mr. Synhorst stated he prepared a project Summary for the Extension of Runway 8/26 and Taxiway C Project, AIP 25. He stated based on the final pay request from Nodak Contracting, we are \$24,310.00 under the grant amount. He stated we do still have some engineering time required to put the as-builts together and do the project close out report, but that should be only about \$10,000. He stated the remainder will go toward the perimeter road project, which had an overrun.

Mr. Synhorst stated he has prepared liquidated damages/extra claims summaries for both the general and electrical construction. He stated Nodak came in with a figure of \$70,600.58. He stated after his review he is recommending \$28,540.53, which takes into consideration the original liquidated damages amount of -\$19,488.00 (\$672 per day).

Reviewed Change Orders to Nodak Contracting for the General and Electrical Construction of the Extension to Runway 8/26 and Taxiway C, and West Perimeter Road Project, AIP25:

Mr. Synhorst stated on the electrical portion of the project Nodak arrived at a final figure of - \$2,393.28 and after his review he arrived at a figure of -\$13,188.28.

Mr. Synhorst stated he met with Mr. Dan Syrup, Strata Corporation last Friday, and he provided a copy of Mr. Syrup's letter dated April 7, 2003. He stated there are three items of contention. First, the water main and sanitary sewer repair. He stated due to the fact that they jumped on the matter right away and fixed it before their insurance company looked at the claim the company is not going to cover the claim. Secondly, we gave them an extension of about 17 days on the first phase of the project. He stated they felt it should have been added to the end of the project. He stated it is his contention that he looked at the progress they were making on the whole extension and he felt they were at or ahead of schedule and he did not feel there was a schedule needed. He stated the third item is the concrete removal change. He stated they are claiming an additional \$36,547 but he feels it is more like \$11,778. He stated the plan called for them to remove the pavement. He stated they chose to remove the pavement and crush it and use that material as gravel base for the perimeter road. He stated they were told to remove and replace it. He stated they took it upon themselves to crush it. He stated Nodak is proposing that we split the \$25,000 difference.

Mr. Synhorst stated we are square on all of the final quantities and the extra costs. He stated it is their contention that they cannot understand how we can assess liquidated damages to the general contractor and the electrical contractor. He stated the completion date was the same for both the general contractor and the electrical contractor, and they happen to be the same corporation.

Mr. Pawluk stated that Mr. Synhorst has been more generous with the contractor than he would have been, having followed this situation for the past two years. He stated there were two flights that had to return to their origination city because the runway was not done and the winds would not allow them to land on Runway 17/35. He stated he supports the decision of the engineer and he is not interested in decreasing the liquidated damages.

Gen. Macdonald stated he has no objection to that.

Mr. Synhorst stated no action is needed unless they wished to change his recommendation. He stated he will forward them the final payment request for their signature. He stated if they do not sign the request the FAA has indicated it can be signed by the board and the engineer and it can be unilaterally approved so that we can close out the project.

Mr. Pawluk stated the contractor made a conscious decision to use their equipment on another project with higher liquidated damages and as a result they did not get this project done on time.

Mr. Synhorst stated they admit to that. He stated he feels there were 17 days where they could have been here working on the project but they were not. He stated he also explained to them that in 2004 we have a \$25 million project coming up and we cannot afford to have delays.

Gen. Macdonald moved to approve Change Order #5 to Nodak Contracting in the amount of \$28,540.53 for the general contract of the Runway 8/26 and Taxiway C Extension and West Perimeter Road Project, AIP25.

Second by Mr. Pawluk.

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

Reviewed Change Orders to Nodak Contracting for the General and Electrical Construction of the Extension to Runway 8/26 and Taxiway C, and West Perimeter Road Project, AIP25: (Continued)

Gen. Macdonald moved to approve Change Order #3 to Nodak Contracting for electrical portion of Runway 8/26 and Taxiway C Extension and West perimeter Road Project, AIP25.

Second by Mr. Pawluk.

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

Reviewed and Approved Updated FAA Capital Improvement Project List for CY2004-2006:

Mr. Steve Synhorst, Ulteig Engineers, distributed copies of the proposed Capital Improvement Project for calendar years 2004-2006. He stated for the 2003 project we are asking for \$500,900 in discretionary funding. He stated the project for 2004-2005 is the reconstruction of Runway 17.35 and we are requesting \$15 million in discretionary funding.

Other Business:

Mr. Dobberstein stated we have again mailed out notices for the sale or lease of Hangar #2. He stated proposals are due Friday, April 18 and those will be received at the meeting on April 22.

Mr. Dobberstein stated one of the residents on the north end of the airport, Mr. Don Kilfoyl, has received approval from the FAA to construct some additional storage buildings on his property.

Mr. Dobberstein stated he had a visit from the deputy director of US Customs at the Pembina port to review the US Customs operation in Fargo and our ability to handle international flights. He stated this is something we had done for years and then suddenly Agent Todd Hulsether was advised that he was not able to do that. He stated the port director, Mary Delaquis, was also here last week and notified us that we will be reverting back to a user fee port on July 16, 2003, after our status was temporarily changed on July 16, 2002. He stated the congressional record shows that the port would be reviewed after one year to see if the port activity warranted the status of the port to remain full time. He stated we also advised Customs that airport facilities directory was just updated in the last 30-45 days and we are listed as a full time port. He stated we may receive a six month extension.

Mr. Pawluk stated it sound like they already had their decision made.

Mr. Dobberstein stated he had two encouraging phone calls from Gem Motor Car to bond their parts to Fargo instead of having them clear Customs in Fargo. He stated Bobcat is looking for a way to transport their engines and tires by rail from Seattle to Fargo and have them cleared in Fargo.

He stated both Mayor Furness and Mayor Voxland are going to make this a priority as it is the cities that have to pay the majority of the fee and it is his understanding that the fee is going to be even higher this year.

Other Business: (Continued)

Mr. Dobberstein stated he and Mr. Brian Walter, FCC Economic Development, Mr. John Campbell, FM Chamber of Commerce, and Mr. Jim Sweeney, Fargo Jet Center, flew down to Louisville, KY to visit with Mr. Pete Levermore, Assistant Director of Properties for UPS. He stated they learned a lot about UPS and basically before UPS would place a jet here on a permanent basis we would have to double the volume. He stated they do not foresee a jet being in Fargo for another ten years, but all it takes is one business to change that.

Mr. Sweeney stated the clear message we got on how they plan and make their decisions can be used on Federal Express as well. He stated it would be worth expending the same effort on Federal Express.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 22, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:08 a.m.

Regular Meeting

Tuesday

April 22, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, April 22, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Anderson, Pawluk, Clark

Absent: None

Others: Stewart

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 8, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held April 8, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$14,182.04:

Gen. Macdonald moved to approve the airport vouchers totaling \$14,182.04.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,414.45 to TL Stroh Architects for payment request for architectural services in connection with the entry sidewalk project.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,420.07 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,788.50 to Foss Associates for payment request for architectural services in connection with the restaurant furnishings.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$869.00 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal modifications.

Second by Mr. Anderson.

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

Approved the Individual Voucher to The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$419.61 to The Forum for advertisement for bids for 2003 Airport Improvement Projects.

Second by Mr. Anderson.

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

Approved the Individual Voucher to The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$66.74 to The Forum for advertisement for bids for the restaurant furnishings.

Second by Mr. Anderson.

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

Opened Bids for 2003 Improvement Projects, AIP 3-38-0017-28, and Considered Recommendation of Award:

Mr. Steve Synhorst, Ulteig Engineers, opened and read bids for the 2003 Improvement Projects. Bids were broken into five general construction items and three electrical construction items.

The bids were received without objection and Mr. Synhorst left the meeting to tabulate the bids.

Following tabulation of the bids, Mr. Synhorst stated the Northern Improvement bid was actually a little lower at \$2,137,810.15. He stated the Nodak Contracting bid was as previously stated at \$172,505.00. Mr. Synhorst stated he recommends awarding to both low bidders. He stated two items in this project are in preparation for next year's runway project, and those are removing and replacing the fence within the runway safety area and also constructing the staffing area/batch plant. He stated with those two items we are over our federal funding allocated for this year. He stated he would like to work with Mr. Dobberstein and also Mr. Tom Schauer from the FAA Airports District Office in Bismarck to get some discretionary funding for those items, as the bid prices were very attractive on those two items. He stated if we can have the batch plant in place this year so that the contractor can come in on May 1 next year and start crushing concrete that will be a huge advantage.

Mr. Synhorst stated he recommends awarding the projects to the low bidders and he will continue to work on obtaining some discretionary funding.

Gen. Macdonald asked what options we have if we do not receive the discretionary funding.

Mr. Dobberstein stated we can pay for the work up front and get reimbursed. He stated those would not be discretionary dollars but rather entitlements or PFC funds.

Mr. Pawluk moved to receive the bids and award to low bidders, Northern Improvement and Nodak Contracting, as recommended by Ulteig Engineers.

Second by Gen. Macdonald.

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

Receive Bids and Recommendation of Award Associated with the Restaurant Furnishings:

Mr. Dobberstein stated we opened bids on April 21 for the restaurant furnishings. He stated three bids were received (Brown & Saenger, Christianson Business Furniture and Hannaher's). He stated the Hannaher's bid could not be read because a bid bond was not provided. He stated Brown & Saenger provided the low bid of \$59,571.91. He added the architect's estimate was around \$70,000. He also stated that the delivery time would be 52-62 days. He stated Foss was to have a representative here today with their recommendation but no one was present. (Shelley Richard arrived late to the meeting due to a car accident.)

Mr. Anderson moved to accept the bids and award the contract to Brown & Saenger, based on their low bid of \$59,571.91.

Second by Mr. Kilander.

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

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

Received Proposals for Hangar #2:

Mr. Dobberstein stated proposals for the purchase or lease of Hangar #2 were due by noon on Friday, April 18, 2003. He stated we received proposals from three parties.

Fargo Aero Tech proposed to lease Hangar #2 for \$1,500 per month for a five year term.

Fargo Jet Center offered to purchase the hangar for \$337,000.

Fargo Jet Center offered to lease the hangar for \$1,550 per month for an initial term of five years with two optional five year extensions for a total of 15 years.

Dakota Airlift, Inc. bid \$1,000 per month, minus any property taxes, with the bid increasing proportionally to their income to a maximum of \$2,500 per month plus all taxes. (Mr. Dobberstein stated that estimated taxes are \$1,200 to \$1,500 per month).

Mr. Pawluk moved the Airport Authority reject all bids and continue to consider our options for the ultimate sale or lease of Hangar #2.

Second by Mr. Anderson.

Gen. Macdonald stated this is the second time we have received proposals on this building and asked why we would want to reject these proposals.

Mr. Pawluk stated he does not think we lose anything by waiting. He stated by accepting one of these bids we tie it up for a minimum of five years, or sell it for one third of what it cost to construct. He stated it is a lousy rental market right now and we have more to gain by waiting to sell or lease. He stated he also likes having the building available for an aviation related use that we may not recognize right now.

Mr. Kilander stated he would like to know what we are trying to accomplish by requesting proposals and then rejecting them. He stated if we are going to request proposals then we should at least put a minimum standard on the building so that people do not waste their time preparing proposals. He stated we have asked for proposals twice now and neither time have we indicated a minimum standard.

Gen. Macdonald stated if this were his building he would go back to the high bidder and say we will give it to them on a rolling six month lease, where they can always count on five more months. He stated if they do not accept that then we offer it to the next highest bidder, and then to the third. He stated if they all say no, they all say no. He stated a 90 day notice is too short, but with six months is more manageable. He stated he agrees with Mr. Pawluk that we do not want to lease it at such a low rate for fifteen years.

Mr. Anderson stated he agrees.

Mr. Kilander stated his concern is that if a tenant leases the building they will have to sign some contracts with customers. He stated he would like to include some protection for the lessee such as a right of first refusal.

Mr. Pawluk stated he does not like the right of first refusal. He stated for the buyer they tie your hands and it also makes it difficult to negotiate with anyone else. He stated he agrees if someone leases the building they should have every opportunity to be in there.

Mr. Kilander stated we have received offers for five to fifteen years so it would appear no one is looking at this as a short term deal.

Received Proposals for Hangar #2: (Continued)

Mr. Pawluk stated neither would he if he could have a \$865,000 building for \$1,500 per month.

Mr. Kilander stated we have discussed value before and from a realistic perspective the only value that building has is what someone is willing to pay for it.

Mr. Anderson stated what Mr. Pawluk is saying is that right now the market for that type of building is not good and maybe in a year it will be better.

Mr. Kilander stated we have a very specialized market and he is not sure that necessarily follows or runs parallel to the general market. He stated he would like some assurance for the lessee that they can continue in the lease. For example, if someone comes along and offers us \$1,800 per month just to move the current tenant out, then the current tenant should at least have an opportunity to continue the lease.

Chairman Clark called for a vote on the motion.

Mr. Pawluk voted yes.

Kilander, Macdonald, Anderson and Clark voted no.

The motion failed.

Gen. Macdonald moved the Airport Authority extend to the high bidder a six month rolling lease with a right of first refusal, and if the high bidder turns it down the same offer shall be made to subsequent bidders.

Mr. Kilander asked for some clarification on the right of first refusal.

Gen. Macdonald stated that if another party makes an offer to lease the building the current lessee would have the opportunity to meet or beat that offer.

Mr. Anderson stated that personally he feels that we should not be doing anything with the building at this time. He stated that he would agree with a rolling six month lease, however he does not agree with right of first refusal.

Gen. Macdonald stated if we lease the building and in three months someone else comes in and offers to lease the building for \$2,000 per month. He stated if we then go to the current lessee and tell them we have a better offer from someone else and your lease is up in six months. He asked what if the current lessee decides the building is working out better than anticipated and offers to beat the new offer. He asked would we not give the current lessee the opportunity to beat the offer, or are we just going to keep swapping tenants every six months. He stated it seems to him that we either give the current tenant an opportunity to beat any new offers or we terminate their lease.

Mr. Pawluk stated he would support the motion if it did not include the right of first refusal.

Mr. Anderson stated a tenant entering into this six month lease they understand that it is a temporary deal anyway. He asked Attorney Stewart for his input on the matter.

Attorney Stewart stated the understanding has always been that leasing arrangements are whatever terms this board decides. He stated if the building is leased for six months and then another offer is made, it is entirely up to the board whether or not they allow the current tenant to match the lease offer and remain in the building.

Gen. Macdonald stated then we would not have to include the term right of first refusal.

Attorney Stewart stated leasing is on such terms as this board says, period.

Received Proposals for Hangar #2: (Continued)

Gen. Macdonald modified his motion to say a rolling six month lease, with the understanding that if we get a higher offer we would terminate the lease at the end of the six month period and rebid the lease at that time so the current lessee would have an equal opportunity with anyone else.

Mr. Kilander stated he would second the modifications to the motion.

Chairman Clark called for a vote on the modified motion, all members present voted aye and the motion was declared carried.

Received First Quarter 2003 PFC Report:

Mr. Dobberstein distributed the 2003 First Quarter PFC Report. He stated for the first quarter we collected \$221,791.37 in PFC funds from the airlines. He stated based on our collection rate our current PFC authorization is estimated to end October 2004. He further explained that when we close out the grant for Project AIP25, which also included the rerouting of the drainage ditch which was done with PFC funds, was substantially less than the \$850,000 collected so the remaining balance will be applied toward our current authorization level. He stated that will result in cutting down the October 2004 time frame by six to seven months.

The report was received and filed without objection.

Authorized Attendance at the AAAE/Airport Security Coordinator Training Class, May 9, 2003, St. Louis, MO:

Gen. Macdonald moved to authorize attendance at the AAAE Airport Security Coordinator Training Class, May 9, 2003, St. Louis, MO.

Second by Mr. Pawluk.

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

Approved Contract with Opp Construction for Entry Sidewalk Rehabilitation Project:

Mr. Dobberstein stated Attorney Stewart has reviewed the proposed contract with Opp Construction for the entry sidewalk rehabilitation project and the only outstanding matter is the Builder's Risk insurance, which will be purchased by the Airport Authority.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated we did have a preconstruction conference yesterday and talked quite a bit about how this is the main entrance to the terminal and how it is going to be a mess for a little while. He stated the Airport Authority staff will be putting up snow fence to direct and funnel traffic to the sidewalks on either side of the construction area. He stated the contractor would like to get on the project right away and plan to start next Monday. He stated the contractor will be provided with a flight schedule so that they are able to schedule certain work around the flights.

Mr. Anderson stated he would be concerned about the frost still in the ground.

Approved Contract with Opp Construction for Entry Sidewalk Rehabilitation Project

Mr. Stroh stated they are taking precautions in that area and doing some testing before any work is started. He stated because it is such an important traffic area they do not want to start demolition and then have to wait two weeks until the frost is out of the ground.

Mr. Anderson moved to approve the contract with Opp Construction for the entry sidewalk rehabilitation project.

Second by Mr. Kilander.

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

Authorized Replacement of Floor Maintenance Equipment:

Mr. Dobberstein stated our building maintenance department is requesting the replacement of their floor maintenance equipment. He stated they have received proposals for a machine that would cut the maintenance time in half. He stated we received informal proposals from American Janitorial for \$10,720.05 and Stein Chemical for \$12,746.00.

Mr. Pawluk moved to authorize the purchase of the Minuteman Rider Scrubber from American Janitorial for \$10,720.05.

Second by Mr. Anderson.

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

Received Communication from American Security and Protection Requesting Increase in Hourly Rate:

Mr. Dobberstein stated we received a communication from American Security and Protection requesting approval of an increase in the hourly rate for the traffic security guard from \$10.15 to \$10.65 effective May 1, 2003.

The communication was received and filed without objection.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 13, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:10 a.m.

Regular Meeting

Tuesday

May 13, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 13, 2003 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Anderson, Pawluk, Clark
Absent: None
Others: O'Keefe

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 22, 2003.

Mr. Kilander moved to approve the minutes of the regular meeting of the Municipal Airport Authority held April 22, 2003.

Second by Mr. Anderson.

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

Approved the Airport Vouchers Totaling \$45,024.33:

Mr. Pawluk moved to approve the airport vouchers totaling \$45,024.33.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Sherman Plumbing & Heating:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,065.00 to Sherman Plumbing & Heating for payment request #3 for mechanical construction of the café remodeling project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,652.00 to Ron's Electric for payment request #4 for electrical construction of café remodeling project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to MinKo Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$56,517.00 to MinKo construction for general construction of the café remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$5,313.16 to Flint Communications for payment request for 2003 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$1,315.16 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 AIP15.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$20,976.90 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvement Projects, AIP28.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,739.91 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 Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$7,596.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the PFC06 application.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$6,071.90 to CM of North Dakota for payment request #6 (Final) for departure lounge/restroom project, Westside Terminal.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark voted aye. No member being absent and none voting nay and 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 \$510.00 to Hansen Design Associates for payment request for landscape architecture service in connection with the entryway sidewalk project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$489.97 to Foss Associates for payment request for architectural services in connection with the furnishings for the café remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$4,942.58 to Foss Associates for payment request for architectural services in connection with the café remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$976.97 to Foss Associates for payment request for architectural services in connection with the proposed renovations to the Eastside Terminal.

Second by Mr. Pawluk.

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

Approved the Lease Agreement with Roger Tidd, Elite Lighting, for Eastside Terminal Storage Space:

Mr. Dobberstein stated there is a vacant storage area in the Eastside Terminal that Mr. Roger Tidd, Elite Lighting, would like to lease for storage for his lighting sales business. The lease will commence May 1, 2003 for a one year term with a 30 day cancellation clause.

Mr. Anderson moved to approve the lease agreement with Mr. Roger Tidd, Elite Lighting, for storage space in the Eastside Terminal.

Second by Mr. Kilander.

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

Received Update on Proposed Eastside Terminal Modifications:

Mr. Bill Cowman, Foss Associates, was recognized and distributed architectural plans for the proposed renovations to the former restaurant area in the Eastside Terminal. He stated they will be taking out a majority of the existing walls because they are in pretty bad shape. He stated the ceiling will be new, as well as the lighting. He stated the exterior windows will remain as is, since the windows will be involved in a future project.

Mr. Cowman stated there will be a small commercial furnace in the storage room and ducts added to serve the space. He stated they are also proposing electrical outlets all around the perimeter and eight junction boxes above the ceiling so if there is a tenant requiring a pole system for supplying electrical service all they have to do is add the poles. He stated they have tried to build as much flexibility as they can into the project.

Mr. Cowman stated there was some tile in the space that needed to be tested for asbestos and Mr. Dobberstein had Legend Technologies do some testing. He stated that tile will need to be removed but should not be a big deal.

Received Update on Proposed Eastside Terminal Modifications: (Continued)

Mr. Cowman stated as far as cost, we are about at the \$48,000 level. He stated this includes the replacement of a door currently in place which does not meet code. He stated that portion is about \$2,500.

He stated we are ready to put this project out for bids and since it is under \$100,000 we can do it either on a formal or informal basis. He stated if we go through the formal process the earliest date we could receive bids would be Monday June 9, and award the project at the meeting on June 10.

Mr. Anderson asked why the storage area is so large. He stated he feels we should make the storage area just large enough for the mechanical equipment and if the tenant wants a bigger space let them handle that. He stated as far as formal or informal bids, he stated if we go with informal bids we will still get competitive bids.

Mr. Pawluk stated he likes the idea of opening up the project to any contractor, but he does not have a strong feeling either way.

Mr. Kilander moved the Airport Authority follow the formal bid process for this project for the Eastside Terminal restaurant area, and that bids be opened June 9 and received by the board at our meeting on June 10.

Second by Mr. Pawluk.

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

Mr. Cowman stated he would adjust the plans to show the smaller storage room area.

Receive Update on Café Remodeling Project:

Mr. Bill Cowman, Foss Associates, was recognized and stated the restaurant project is progressing. He stated they did a pre-final inspection of the bar area and the Barnstormer is using that area. He stated we are progressing with the balance of Phase I of the project. He stated the booth area should be in use soon.

Mr. Cowman stated the majority of the deli is in place. He stated we are probably about one week from being complete with Phase I. He stated the most labor intensive portion of the project is done and we are probably about 30-45 days from completion of the project.

Received Update on Airport Construction Projects:

Mr. Steve Synhorst, Uteig Engineers, was recognized and stated we have made the final payment on the Runway 8/26 project and are still working on the project closeout report.

Mr. Synhorst stated he talked to Northern Improvement about the projects for this year. He indicated they do not want to go in and do any of the removal until after the airsho on July 4. He stated they are still working on the preliminary design for the Runway 17/35 reconstruction project.

Mr. Synhorst stated we have just submitted the PFC #6 application to the FAA Airports District Office in Bismarck. He stated Mr. Tom Schauer wanted to review it before final submission to the regional FAA office. He added that the final approval meeting with the airlines will be held in June.

Received Notice of North Dakota Aeronautics Commission Annual State Grant Meeting, Bismarck, May 14, 2003:

Mr. Dobberstein stated we have received notice from the North Dakota Aeronautics Commission of their annual state grant meeting in Bismarck tomorrow. He stated he is not able to attend due to a funeral, but Mr. Darren Anderson will make our presentation.

Mr. Dobberstein stated we are requesting \$1.8 million in grant funds from the state, knowing that they have only about \$600,000 to \$700,000 to distribute among all of the airports in the state.

Other Business:

Following discussion on the next meeting, it was decided that the board will not meet on May 27, unless pressing matters require that we do so.

Mr. Dobberstein stated that following the last meeting he made the board's counter offer for the leasing of Hangar #2 to Fargo Jet Center. He stated Mr. Jim Sweeney declined the offer so he made a subsequent offer to Fargo Aero Tech. He stated he has not yet heard from Mr. David Lundeen.

Mr. Dobberstein stated at our next meeting we will be discussing the retaining of bond counsel for the runway project next year.

Gen. Macdonald asked if we can bid those types of services.

Mr. Anderson asked that between now and the next meeting that Mr. Dobberstein find out if that is a biddable item. He also stated that he is not completely familiar with the bonding process and wouldn't mind some additional information.

Attorney Tim O'Keefe stated that Mr. Erik Johnson from their firm has just completed the necessary requirements for providing bond counsel and he could arrange to have Mr. Johnson come to the next Airport Authority meeting and review the bond process.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Opp Construction started demolition of the existing concrete for the entry patio project yesterday. He stated after removal of the existing concrete Fargo Electric will begin their underground work.

Mr. Dobberstein stated we have also expanded some of the curb removal and replacement in the project area. He stated that will result in an additional \$1,100.

Mr. Stroh stated they are also looking at what can be done to straighten the flag poles.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 10, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:35 a.m.

Regular Meeting

Tuesday

June 10, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, June 10, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Anderson, Pawluk, Clark
Absent: Kilander
Others: Tim O’Keeffe, Erik Johnson, Rob Lynch

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 13, 2003:

Mr. Anderson moved to approve the minutes of the regular meeting of the Municipal Airport Authority held May 13, 2003.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$51,095.53:

Gen. Macdonald moved to approve the airport vouchers totaling \$51,095.53.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ron’s Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,868.40 to Ron’s Electric for Payment Request #5 for electrical construction of the café remodeling project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to MinKo Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$63,390.00 to MinKo Construction for Payment Request #5 for general construction of café remodeling project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Sherman Plumbing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,781.00 to Sherman Plumbing for payment request #4 for mechanical construction of the café remodeling project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,228.84 to Flint Communications for payment request for 2003 airport marketing program.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Opp Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$67,500.00 to Opp Construction for payment request #2 for entry sidewalk project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$110.76 to Forum Communications for advertisement for bids for Eastside Terminal renovation project.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,023.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 8/26 and Taxiway C Extension, and Perimeter Road Project AIP25.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

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 \$1,772.67 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PRC #6 application.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

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 \$4,968.49 to Ulteig Engineers, Inc. for payment request for engineering services in connection with 2003 airport projects, AIP28.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$20,998.44 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP28.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Update on Restaurant Project:

Mr. Bill Cowman, Foss Associates, was recognized and stated we should see substantial completion of Phase II and III of the project by Friday or Monday. He stated the dining room should then be back into full operation at that time, which is about two weeks ahead of schedule. He stated the furnishings are scheduled to arrive July 14, which is two weeks earlier than scheduled. He stated the project has been moving along smoothly and the contractors have done a good job.

Mr. Dobberstein stated we will bring some of the old furniture back for use until the new furniture arrives.

Approved Change Orders for Restaurant Project:

Mr. Dobberstein stated we received the following change order requests from MinKo Construction, Inc.:

- Provide and install a 2x2-A20 tile under the bar equipment (not shown on blueprints) \$690.00
- Move framing for storage wall for access to air handler - \$138.00
- Change size of opening between the Bar 220 and Pool Room 221 - \$178.00
- Patch ceilings in Phase I per City of Fargo to maintain fire barrier - \$1,229.00
- TOTAL - \$2,235.00

Mr. Dobberstein stated we also received a change order request from IES North Plains (Ron's Electric) to support all conduits and cables to meet NEC in construction area that are hanging loose, support all conduit, cables and disconnects to allow for fire-proofing of steel beam above new soffit, and install outlet in ceiling for pool table lights, total cost \$3,220.04.

Mr. Dobberstein stated we also received word this morning of a change order requested by Pete Haug for work to be done by Sherman Plumbing. He stated Mr. Haug had originally requested that there be no fountain soft drink machine at the deli counter but has now changed his mind. He stated the additional cost for plumbing and piping will be \$1,080.00. He stated it is his understanding that Pepsi provides the unit at no cost, and the cable with the product will run from the bar up to the deli area above the ceiling.

Mr. Anderson moved to approve the change orders to MinKo Construction, IES North Plains, and Sherman Plumbing, as outlined.

Second by Mr. Pawluk.

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

: Received Bids for Proposed Eastside Terminal Office Modifications and Recommendation of Award

Mr. Bill Cowman, Foss Associates, stated we received bids yesterday for the proposed modifications to the Eastside Terminal. He stated we received bids for general, mechanical and electrical and the low bidders were as follows:

General	Smithco, Inc.	\$22,080.00
Mechanical	Manning Mechanical	\$15,750.00
Electrical	Modern Electric of FM, Inc.	\$ 9,400.00
TOTAL		\$47,230.00

Received Bids for Proposed Eastside Terminal Office Modifications and Recommendation of Award:
(Continued)

Mr. Cowman stated he is recommending the board award the contract to these bidders and issue a notice to proceed. He stated all three contractors are ready to begin at any time. He stated we do have a small asbestos abatement project that has to be completed first. He stated this involves the removal of some floor tile and covering around one pipe. He stated Mr. Dobberstein has been working with Legend Technologies on the abatement project.

Mr. Pawluk moved the Airport Authority award the project to Smithco, Inc., Manning Mechanical, Inc., and Modern Electric of FM, Inc., and authorize the issuance of a notice to proceed.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Update on Entry Sidewalk Project:

Mr. Dobberstein stated the sidewalk entry project is mostly completed. He stated Fargo Electric has to finish the lighting system.

Mr. Pawluk stated he noticed that some of the leading edges of the bricks are sticking up somewhat and that could be a slight tripping hazard, as well as cause trouble for snow removal blades.

Mr. Terry Stroh, TL Stroh Architects, arrived later in the meeting and reported that the light poles are to be shipped July 1st. He also stated that there was some damage to the sprinkler system during construction and those repairs should be complete by the first of July.

Discuss Runway 17/35 Reconstruction Project and Possible Revenue Bond Process:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they are proceeding with the preliminary design and engineering report for the Runway 17/35 reconstruction project. He stated he met with the FAA in the Bismarck Airports District Office last week. He stated he will let Mr. Dobberstein review where we are with funding.

Mr. Synhorst stated we are working on splitting up the project so that we make sure we get as much work done in 2004 as we possibly can and schedule any other items for 2005. He stated there are some funding issues so we are working on our justification for discretionary funding for Tom Schauer to submit to the regional FAA office for as much discretionary funding as possible.

Mr. Synhorst stated they have a new engineer on staff that just graduated from NDSU and he is doing a very good job at getting some pieces put together so we are moving along pretty good.

Mr. Dobberstein stated at the last meeting the board had some discussion on bonding for the runway project and he was directed to ask Mr. Erik Johnson, Solberg Law Firm, to be present at the meeting today to discuss bond counsel.

Discuss Runway 17/35 Reconstruction Project and Possible Revenue Bond Process: (Cont'd)

Mr. Dobberstein stated we are probably looking at bonding at least \$8 million. He stated that we are not looking for any additional funds from the Guard other than the cost to install their barrier cable. He stated we had initially requested \$5 million from them but it does not look like we will receive anything. He added that if we do, it would just lower the amount of bonds.

Mr. Dobberstein stated Mr. Johnson is here today to give us a preliminary overview of the bonding process.

Mr. Erik Johnson, Solberg Law Firm, was recognized and stated he recently began doing bond counsel work. He gave an overview on the function of both bond counsel and the bond financial advisor. He stated another component of bond counsel is giving an opinion that the issuing entity is indeed a qualifying government entity. Mr. Johnson stated government entities cannot go out and borrow funds through bonds at cheap interest rates and then invest the money and make huge returns on that money. He stated there are rules in the securities laws that you cannot make too much profit on the money while it is invested before it is spent. He added that another function of bond counsel is the make sure the money from the bonds is a governmental purpose.

Mr. Johnson stated the role of the financial advisor is to understand the marketplace and structure the deal, how much money you are going to need and when you are going to need it. He stated bonds are generally issued in two forms, one is a negotiated sale, and the other is by a public bidding process. He stated the financial advisor would also handle that aspect.

Gen. Macdonald stated if we determine that we need \$8 million for the runway project, is that a fixed sum and what if we find out after the bonds have been sold that we need another \$2 million, would we have to start the whole process over or could that just be added. He asked if we could go for a \$12 million bond issue and then if we need only \$8 million just have that extra as a cushion and probably not have to issue the extra amount.

Mr. Johnson stated the financial advisor would help to structure that and it could be done either way.

Mr. Dobberstein stated if we do \$19 million worth of work in 2004, we are going to hold enough eligible projects for discretionary consideration that will be done in 2005. He stated there is some storm sewer work that needs to be done in the Runway 35 safety area along with some other items, but we may not know what our 2005 discretionary amount is until sometime after June 2005. He stated the problem is we cannot reimburse ourselves with discretionary money. He stated if we begin the project today and we have requested discretionary they would not provide any. With discretionary funds you first get the funding and then start the project.

Mr. Johnson stated you need to identify the project costs and if you estimate on the generous side and then you end up not needing it, the arbitrage does allow you to realize some profit. He added that the financial advisor will also help to make sure that you do make some money.

Gen. Macdonald stated having a little cushion would make him feel better.

Mr. Johnson stated that although he has not been providing bond counsel for long, he does have an association with a firm in Minneapolis, Briggs & Morgan.

Discuss Runway 17/35 Reconstruction Project and Possible Revenue Bond Process: (Cont'd)

Mr. Dobberstein stated we would be using our PFC funds for the bond payments. He stated anticipated annual PFC revenue is about \$800,000 and we would put \$600,000 of that toward the bond payments.

Mr. Johnson stated that although he has not been providing bond counsel for long, he does have an association with a firm in Minneapolis, Briggs & Morgan.

After further discussion, Mr. Anderson moved that the Airport Authority engage the services of Mr. Erik Johnson and the Solberg Law Firm as bond counsel for the Runway 17/35 Reconstruction Project.

Second by Mr. Pawluk.

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

Received Update on 2003 Construction Project:

Mr. Dobberstein stated he had anticipated having a grant for our 2003 project from the Airports District Office in Bismarck by this time but it has not yet arrived. He stated we have started on extending the water main to the batch plant site.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we will get started on the fence relocation shortly. He stated that Northern Improvement will not begin reconstruction work until after the airshow on July 4.

Received Request from Northstar Aviation Insurance Regarding a Five Year Lease Renewal:

Mr. Dobberstein stated we received a request from Northstar Aviation Insurance dated May 20, 2003, requesting his office lease in the Eastside Terminal be renewed for five years effective May 6, 2003.

Mr. Pawluk moved to approve the five year lease extension for Northstar Aviation Insurance.

Second by Gen. Macdonald.

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

Received Request from Victor Gelking Regarding a Five Year Lease Renewal for Vic's Aircraft Sales Hangar and Carousel Hangar:

Mr. Dobberstein stated we received a request from Mr. Victor Gelking, Vic's Aircraft Sales, dated May 20, 2003, to extend his lease on the Vic's Aircraft Sales hangar and the carousel hangar for a five year term. Mr. Dobberstein stated the lease on the Vic's Aircraft Sales hangar is based on 1.5% of gross sales or \$100 per month, whichever is greater. He stated the lease on the carousel hangar is \$776 per year, based on eight cents per square foot per year.

Mr. Dobberstein stated the last time Mr. Gelking's lease came up for renewal he was asked to update his legal description after an office addition and he is working on that.

Mr. Anderson moved to approve the extension of Mr. Victor Gelking's leases for a five year term on the Vic's Aircraft Sales hangar and the Carousel hangar.

Received Request from Victor Gelking Regarding a Five Year Lease Renewal for Vic's Aircraft Sales Hangar and Carousel Hangar: (Continued)

Second by Mr. Pawluk.

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

Received Communication from NW Leasing Regarding Assignment of Hangar Lease to Danny Schatz:

Mr. Dobberstein stated we received a communication from Mr. Bernie Ness, NW Leasing LLP, dated June 6, 2003, advising that he has sold his hangar at 1650 23rd Avenue North to Danny Schatz effective June 1, 2003. He is requesting that his lease be transferred to Northwest Aviation LLC.

Gen. Macdonald moved to approve the assignment of lease from Bernie Ness, NW Leasing LLP, to Danny Schatz, Northwest Aviation LLC.

Second by Mr. Pawluk.

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

Continued Discussion Regarding Hangar #2 Lease Proposals;

Mr. Dobberstein stated the board recently received proposals from Fargo Jet Center, Fargo Aero Tech, and Dakota Airlift to lease Hangar #2. He stated the board declined all of the proposals and directed him to make a counter offer for a rolling six month lease at \$1,550 per month. He stated Fargo Jet Center declined the counter offer, as did Fargo Aero Tech at \$1,500 per month for a rolling six month lease. He stated the offer was not extended to Dakota Airlift as their original proposal called for the property taxes to be waived, which we cannot do.

Mr. Dobberstein stated we received a communication dated June 9, 2003 from Mr. K.C. Hemelstrand, Dakota Air Parts International, Inc., with a proposal to purchase Hangar #2 for \$390,000.

Mr. K.C. Hemelstrand was recognized and stated they are in the process of purchasing a Bell Helicopter Service Center and FAA Repair Station in northern California. He stated they are considering moving that operation to Fargo and they would like to purchase Hangar #2 from the Airport Authority.

Mr. Hemelstrand stated their track record as a small business is pretty good. He stated when they started their business in Fargo in 1997 it was just he and his wife, and they have added at least 2-3 new jobs every year since then. He stated he feels with the addition of a repair station/service center they plan on creating at least 7-10 new jobs in the next two years.

Mr. Dobberstein stated previous offers for the purchase of the hangar \$325,000 and then \$337,000, both from Fargo Jet Center. He stated both of those offers were rejected.

Mr. Pawluk asked how much we have invested in the hangar.

Mr. Dobberstein stated probably about \$870,000, some of which is concrete work around or directly related to the hangar.

Continued Discussion Regarding Hangar #2 Lease Proposals: (Continued)

Mr. Pawluk stated he would like to support Mr. Hemelstrand's proposal, however, if he were willing to offer \$450,000 for the hangar he would have his support. He stated he does not know where the rest of the board sits as this is the first we have seen it. He stated he would like to give every encouragement and every opportunity for Mr. Hemelstrand to make this project go forward.

Gen. Macdonald asked if the Airport Authority would receive the 1.5% as we do from the other FBOs.

Mr. Dobberstein stated the Airport Authority would have to look at the maintenance work that would be performed and whether or not it is a service already provided on the field.

Mr. Hemelstrand stated he does not know if he could do that. He stated most of their business is over seas and out of state. He stated they do a lot of business with the west coast. He stated 1.5% might seem light a small amount but when you are rubbing nickels together all the time to make ends meet it might be the difference between making or not making deals. He stated they have not had to adhere to a 1.5% fee in the past. He stated he would not have a problem paying that for local maintenance business but everything else they do is out of state.

Mr. Dobberstein explained the ground leases for privately owned hangars and percentages for the aviation related business on the airport.

Mr. Hemelstrand asked what if their business performed only component overhauls and not maintenance of an entire helicopter flying into the airport.

Mr. Dobberstein stated the board would have to review that and decide.

Mr. Pawluk asked Mr. Hemelstrand if Hangar #2 would meet the needs for their business.

Mr. Hemelstrand stated it is a large facility with growth potential for them. He stated they just purchase seven helicopters and they are currently out of state. He stated they would like a place in which to refurbish these helicopters as they are currently in Montana.

Mr. Pawluk asked Mr. Hemelstrand about his timeline.

Mr. Hemelstrand stated their timeline is right away. He stated they need to make a decision on a facility before they can purchase the business in California. He stated he does not have a check today but he has talked to his bank and to Fargo-Cass County Economic Development. He stated he is sorry he was not able to get this before the board sooner than this but this is the earliest he was able to present this.

Mr. Dobberstein asked Mr. Hemelstrand if they would still need space in the Eastside Terminal if they purchased the hangar.

Mr. Hemelstrand stated they are presently busting at the seams as far as space. He stated the Eastside Terminal has been a great incubator facility for them but they would plan to relocate everything in the hangar after six months to a year.

Gen. Macdonald asked how much income to the airport we are talking about for this lease.

Mr. Dobberstein stated at eight cents per square foot would be about \$1,200.00.

Mr. Pawluk stated there are several components involved here. He stated first of all is the potential purchase of the building. He stated once that is decided then we need to determine if what they plan on doing is going to compete with the other operators on the field. He stated he is all for giving all of the encouragement that we can, but at the same time we need to work within the criteria.

Mr. Hemelstrand indicated that was fair.

Continued Discussion Regarding Hangar #2 Lease Proposals: (Continued)

Mr. Pawluk stated the first thing we need to do is determine the value of that \$870,000 building.

Mr. Anderson stated we all seem to recognize that we are not going to get the entire investment back in a sale. He stated he recommends we continue discussion at the next meeting and in the meantime try to resolve all of the issues, including the ground lease.

Gen. Macdonald stated he thinks we should instruct our attorney to draw up a purchase agreement that spells out exactly the lease terms, such as when the 1.5% would apply.

Mr. Pawluk stated his concern is that we are going to get bogged down with a lot of details that are going to turn out to be deal killers for Mr. Hemelstrand as he moves forward.

Gen. Macdonald stated its not like this is a big money maker for the Airport Authority and he feels Mr. Hemelstrand can probably wait two weeks.

Mr. Hemelstrand stated he is in a position to pursue this endeavor and he has obligations to a potential seller in California.

Gen. Macdonald asked Mr. Hemelstrand what his current offer is for Hangar #2, \$400,000?

Mr. Hemelstrand stated he would go \$400,000 as he would not let \$10,000 keep us from doing business. He stated he has read the past minutes and he is not trying to come in just \$10,000 above someone else. He stated he is trying to show his sincerity that they truly want to buy they building. He stated they recognize the value of the project and think it is a fair value for both entities. He stated he know the Airport Authority has a lot of money invested in the facility but what one puts into something and what one can receive for it are two different things. He stated he feels it is a fair offer for a good building.

Mr. Anderson stated he is not willing to make a decision today as he has had only 15 minutes to consider this.

Mr. Hemelstrand state he certainly understands that the board needs more time to consider this but he would appreciate an answer as soon as possible.

Mr. Dobberstein stated he did get property tax information from the City Assessor's office and the assessor came up with an assessed property value of \$591,000 and the annual taxes would be approximately \$14,500.

Mr. Dobberstein stated there has been additional interest in the hangar, not necessarily to buy but possibly a lease with an option to buy.

Mr. Anderson stated he would like Mr. Kilander's opinion before a decision is made.

Mr. Anderson recommended the matter be tabled until the next meeting. He stated he senses some confusion on the part of Mr. Hemelstrand on how things work on the airport and how a lease for his business would work.

Mr. Pawluk stated we can always call a special meeting.

After further discussion, it was decided to change our next meeting date to Tuesday, June 17 at 8:00 a.m. rather than June 24.

Mr. Dobberstein stated if we do not receive our grant before the next meeting we will have to call a special meeting at some time to receive that grant.

Reviewed Proposed 2004 Budget:

Mr. Dobberstein stated he had distributed the proposed budget for 2004 to the board members for their review.

Gen. Macdonald asked if the budget allows any latitude to increase salaries. He stated he would like to see that line item increased by at least \$15,000 or \$20,000 as he would like some flexibility.

Mr. Dobberstein reviewed both revenues and expenditures. Mr. Dobberstein stated the salary and benefit amounts will not be finalized until the City Commission approves a COLA and possible insurance changes.

Mr. Dobberstein stated if we decide to move ahead with some improvements to the Eastside Terminal we could transfer some money (\$100,000) from the reserves in the Operations & Maintenance Fund (561) to the Improvement Fund (563).

Mr. Pawluk stated he would rather see a line item in the budget for that and he would like to see us budget \$400,000 for any Eastside Terminal renovations. He stated he feels \$100,000 is very low.

Mr. Dobberstein stated another unknown is the special assessments for the North University Drive project. He stated that project will not be finalized and assessed until this fall.

Gen. Macdonald stated we should consider including the payoff of our special assessments in our bond issue for the Runway 17/35 project.

Gen. Macdonald stated he would like to increase the budget for salaries by at least \$20,000.

Mr. Dobberstein asked if the board members had any other questions or comments on the budget.

They all indicated they had reviewed it.

Mr. Dobberstein stated when the budget is officially approved at the next meeting we will certify our mill levy. He stated he is recommending it remain at two mills, which is estimated to generate \$393,300.

Other Business:

Gen. Macdonald stated he feels we should continue on our schedule for audits or financial reviews of our tenants whose rent is based on a percentage of their sales. He stated the board will wait for a recommended schedule from Mr. Dobberstein.

Other Business: (Continued)

Gen. Macdonald stated our national alert level has been reduced to yellow and yet our viewing park is still closed. He stated he knows there is objection to opening the viewing park but he cannot see that objection being well founded. He stated there are too many other opportunities and he feels we need to be told what the threat is that closed the park. He stated to arbitrarily close the viewing park is wrong. He stated it will have to be closed next year during runway construction but until then he feels it should be open.

Mr. Dobberstein stated it was closed at the request of the Guard and he has discussed the matter with Gen. Haugen and he feels it is the airport's park and the airport can do what it wants. Mr. Dobberstein stated he feels there is no reason to keep it closed.

After further discussion, it was the consensus of the board that the viewing park will reopen.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 17, 2003, at 8:00 a.m.

Time at adjournment was 9:31 a.m.

Special Meeting

Tuesday

June 17, 2003

The special meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 17, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Macdonald, Anderson, Pawluk, Clark
Absent: None
Others: Stewart, O'Keeffe, Lynch

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 10, 2003:

Mr. Anderson moved to approve the minutes of the regular meeting of the Municipal Airport Authority held June 10, 2003.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$5,000.91:

Mr. Anderson moved to approve the airport vouchers totaling \$5,000.91.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Mr. Kilander now present.

Approved the Individual Voucher to Foss Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,840.19 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$3,664.69 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal modification project.

Second by Mr. Anderson.

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

Continued Discussion Regarding Hangar #2:

Mr. Dobberstein stated this is a continuation of the discussion from the last meeting regarding Hangar #2 and the offer from Dakota Air Parts International (K.C. Hemelstrand) to purchase the hangar. He stated the board members wanted some time to consider the offer made at the last meeting.

Mr. Dobberstein stated we have a couple of options to offer Mr. Hemelstrand so that he has enough time to put together the details mentioned in his letter, provided we agree on a purchase price. He stated we could hold the hangar for 90 days with an earnest money down payment. He stated another option suggested would be to hold the hangar for 90 days for \$100 with an option to purchase or lease the building. He stated Mr. Hemelstrand is still working with Fargo-Cass County Economic Development, Small Business Administration, and also Bell Helicopter. He stated after all of those details have been worked out he could then come back to the Airport Authority with an offer.

Mr. Kilander stated no matter what terms we use, we have a purchaser interested in purchasing the building but it is all contingent upon his going through a number of hoops. He stated no matter how we view this it would be an option, it would just be how many dollars involved in the option and whether or not it would be refundable.

Gen. Macdonald stated the bottom line is we have to agree on a price.

Mr. Dobberstein stated Mr. Hemelstrand's written offer was \$390,000 but at the last meeting he indicated verbally that he would not let \$10,000 stand in the way so he agreed on \$400,000. Mr. Dobberstein stated as far as the 1.5% to the airport issue, he talked with Mr. Emory Babolian, Fargo Aero Tech, and Mr. Jim Sweeney, Fargo Jet Center. He stated the opinions were a little different. He stated Mr. Babolian feels they should be paying the 1.5% now, but Dakota Air Parts/AvSupport would not have to be located on the airport to conduct their business. He stated Mr. Hemelstrand has indicated that if he started conducting any FBO operations he of course would pay the 1.5%.

Mr. K.C. Hemelstrand was recognized and introduced his wife, Barbara Hemelstrand, who is the president of the company.

Barbara Hemelstrand was recognized and stated as far as the 1.5%, it is not their intention to compete with anyone on the airport.

Mr. Kilander stated the main objective of the Airport Authority is to utilize that space in the best way possible, however, it is also to foster economic development and growth on the airport and encourage expansion of what we are already doing on the airport. He added that if they are not in competition with anyone else on the field the Airport Authority might take a look at the 1.5% and see what we can do to help make locating at the airport more attractive.

Continued Discussion Regarding Hangar #2: (Continued)

Mr. Anderson stated he is a firm believer that we should sell the property. He stated we have gone through several different exercises to try to do that and this seems to be our best offer. He stated with that in mind he would support the sale at \$400,000 with some type of down payment with 90 days for Mr. Hemelstrand to complete the purchase.

Mr. Pawluk stated he wants to see the Airport Authority do everything it can in order to encourage Mr. Hemelstrand and his endeavors to bring more business to the airport and to the community. He stated with that being said, it does not know how selling a building for \$400,000 for which we paid \$800,000 accomplishes that. He stated he does not feel that he is a motivated seller as far as his perspective of the Airport Authority owning that property. He does recognize that we do not have a use for that structure right now, but it does not hurt us to hold it. He stated he is reluctant to sell it for less than half of what it cost to build. He stated he does now know how we can balance our desire as a board to help Mr. Hemelstrand with his business endeavor and also to make a deal that makes financial sense.

Mr. Anderson asked if Mr. Pawluk has an idea of a number that would make him more comfortable.

Mr. Pawluk stated at the last meeting he indicated he would agree to sell it at \$450,000, which he thinks is still less that we should get. He stated if finances are tough for a company undertaking a new venture that is capital intensive, it is hard for him to recognize how incurring an additional \$400,000 obligation for real estate furthers the ability of the company to have the working capital they need to do the rest of their business. He stated maybe everyone's interest would be better served if we arrived at a lease rate based on what we think the building is worth. He stated that would certainly free up the purchaser's capital and it would keep the Airport Authority from selling a building at a fire sale price.

Mr. Dobberstein stated the first time the hangar was advertised for sale (February 2003) we received an offer of \$325,000. He stated the second time was in April 2003 and the offer was \$337,000.

Mr. Kilander stated maybe we should revisit the possibility of a lease rather than a sale. He stated he was working under the assumption that the Airport Authority was far more interested in selling the building.

Mr. Hemelstrand stated they are looking at spending another \$100,000 on the interior of the hangar for their office space. He stated they look at this as a half a million dollar investment for them. He stated a lease option would not be out of order, but at the same time they have been leasing space for seven years and they have come to a point in their business where they would like to move into an ownership situation. He stated they are a small business but have had a good track record. He stated as soon as they would move into the building they would utilize over half the space. He stated they are busting out at the seams in their current space in the Eastside Terminal. He stated this is a little more than they would like to commit to, however, they are willing to commit to this and are doing so in good faith. He stated everything their company does is aviation related.

Mr. Pawluk asked Mr. Dobberstein for his recommendation.

Continued Discussion Regarding Hangar #2: (Continued)

Mr. Dobberstein stated he would certainly favor selling the hangar. He stated it has been in the public venue twice prior to this and this is the highest offer we have received so this may be the value the public has placed on the building, regardless of the cost of construction. He stated getting more than \$400,000 would be great but at this point he is not sure they are willing to go higher. He stated as far as the 1.5%, he does not see how that applies to what they are doing currently. He stated if they get into selling parts that compete with the other FBOs then we could address that. He stated the lease terms would be very specific.

Mr. Hemelstrand asked what the term of the ground lease would be.

Mr. Dobberstein stated the standard ground lease is 20-25 years and options beyond that are negotiable.

Mr. Emory Babolian, Fargo Aero Tech, was recognized and stated they pay 1.5% on parts and services and he feels Dakota Air Parts should have the same responsibility.

Mr. James Sweeney, Fargo Jet Center, was recognized and stated he sees their business (Dakota Air Parts) as very unique and could certainly be located off the airport. He stated he thinks the Authority would want to encourage a business such as this to be on the airport. He stated as long as they are not conducting standard FBO services he would not expect that they would be paying the 1.5%.

Gen. Macdonald asked how important is the purchase of the Bell Helicopter Center?

Mr. Hemelstrand stated it is always good to have the Bell Helicopter Service Center under your business name. He stated it requires accreditation of the technicians on staff. He stated if they become a Bell Service Center they would be obligated to service any helicopter coming to them for service.

Gen. Macdonald asked if they are not able to purchase the Bell Service Center will they still purchase the hangar.

Mr. Hemelstrand stated they are committed to purchasing the hangar either way, regardless of failure or success with regards to that. He stated they need space either way. He stated they have seven helicopters currently and they know there are more coming.

Mr. Anderson stated the Airport Authority make a counter offer of \$400,000 with a 5% down payment (\$20,000) with closing to occur within 90 days. If the closing does not occur within that 90 days the Airport Authority retains \$10,000 of the down payment, and the FBO agreement issues to be handled separately.

Second by Gen. Macdonald.

Mr. Kilander stated he feels it is punitive to have the \$10,000 non-refundable earnest money. He feels we should look at the whole thing as an option. He stated they are coming to us in good faith telling us they will know within 90 days if they are able to move forward.

Mr. Kilander offered an amendment to the motion that any down payment is fully refundable if they are not able to complete the purchase within 90 days.

Gen. Macdonald seconded the motion, provided the reason for them not purchasing it is because they were not able to get approval from FCCEDC or a similar reason.

Continued Discussion Regarding Hangar #2: (Continued)

Mr. Kilander stated it is not uncommon to have an option situation on a commercial property. He stated since we have no one else bidding on the property he does not feel 90 days will be injurious to the Airport Authority's position.

Barbara Hemelstrand stated she has no problem with the 90 days clause including a provision that if they just decide they don't want the building that the Airport Authority retains a portion of the down payment. She stated they are committed to buy the building. She stated if they are not able to get the SBA loan and property tax abatement and can't move forward because of something out of their control then she thinks it is fair that they would get all of their deposit back.

Chairman Clark called for a vote on the amendment to the motion.

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

Anderson and Pawluk voted no.

The motion was declared carried.

Chairman Clark called for a vote on the motion.

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

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

Discussed Viewing Park Operation:

Mr. Drew Wrigley, US Attorney for North Dakota, was recognized and stated also present today is Gen. Mike Haugen, ND Adjutant General, and Mr. Bruce Towers, TSA. He thanked the Airport Authority for putting them on the agenda today. He stated Mr. Lynn Jordheim, his first assistant, head of the North Dakota ATTF (Anti Terrorism Task Force) was not able to be here today. He stated every federal district in the nation has an ATTF and it is a compilation of 50 federal, state and local law enforcement people, emergency management personnel, TSA, military and US Marshall. He stated they meet on a regular basis and the purpose of those meetings being the sharing of information, the discussions of policies around the state regarding security issues.

Mr. Wrigley stated it is clear we got off to a bad start last week. He stated he feels it would be more comfortable to start from scratch this week, but while it would be comfortable he feels strongly that the public would be poorly served. He stated the security people who have come to the meeting today have serious concerns about security matters and he knows the board is concerned about them too. He stated their concern goes to the issue of decision making where security is in question. He stated he feels an effective security making decision process always requires three things. There has to be an accountable body that the public can look to and say that is where the buck stops. Those are the folks that are responsible for this particular set of security concerns. He stated it is pretty clear that is this board and no one is here to argue that the Airport Authority is the decision making body with respect to security matters at the airport. He stated along with that comes along a very serious responsibility to aggressively seek out information about security matters from the experts, from the people who have up to date national security briefings, update information about your and other airports, up to date information about regional and national threats. He stated these

Discussed Viewing Park Operation: (Continued)

are the folks that have those bits of information and the concern. He stated he knows it is a shared concern and does not presume that this board doesn't care about these issues because he knows you do. He stated the people who have the information are the ones who need to be consulted aggressively and he would ask this Authority to do that. He stated without that I think we are left with a dated view that's welded to a cold war notion or something we heard on TV that are sometimes seductive but seldom helpful. He stated he also feels the public needs to be aware of what information you are gathering and what is the process. He stated he feels the public needs to be able to determine for themselves whether the people in charge of these matters are doing a good job of gathering information from the appropriate sources and to the extent possible and appropriate. He stated he has no question that we are dealing with good and honorable folks. He stated he feels it would be more polite, but less responsible, if he did not call into question the decision making process that he encountered last week, as well as matters that have come to his attention since that time.

Mr. Wrigley stated the issue most clearly on the table is that park up the street. He stated there are a number of security issues that you are in charge of and we the public have to rely on you to make. He stated his information is that the Airport Authority closed the park in February when the security threat went up in February. He stated that decision was made without information from TSA, without security people being consulted. He stated some might say, no harm, no foul, but to him, looking back now, that is a significant red flag to see a decision like that. Maybe this Authority was being alarmist, maybe not. He stated what seems to be clear to the security people that he consulted is that they were not consulted. They were not asked to be part of that decision. Were there things that could be done to make the park safer if it was going to be open at some time. He is wondering why they were not actively sought out, not allowed in if there were a meeting of some kind, but actively pursued to get the information. He stated he would guess that the Authority decided to close the park because it recognized its unique location, its unique design, and the opportunity for surveillance and attack from that position. He stated he does not think that is hyperbole. He stated a phrase that is used a lot around the country is that our airline system is a closed circuit. To breach the system at any point is to imperil people in Atlanta, Dallas and Washington, DC. He stated we also have a military mission here in Fargo. He stated he says this anytime he talks around the state with groups, we can't have a chip on a shoulder in North Dakota and say what self-respecting terrorist would come to Fargo, ND or Bismarck or Minot or Grand Forks or a smaller area with a small airport.

Mr. Wrigley state rumors started to circulate that the Airport Authority was going to re-open the park. When they heard about this at the US Attorney's office, and again, he is not a security expert, but they do have a security responsibility with respect to the ATTF and making sure that people are communicating. He stated when we heard about this, his first assistant put together a letter (dated May 15) in his name, and sent it to the Airport Authority, expressing their concerns but not detailing them. They advised the Airport Authority they would be glad to discuss these issues on behalf of and with the TSA, and the other obvious people who should be involved in a decision like that. He stated at some point we scheduled a meeting in his office but it was cancelled at some point and then

Discussed Viewing Park Operation: (Continued)

rescheduled for June 10 at 9:30 a.m. He stated they arrived at 9:20 and stood down the hall with security individuals from the National Guard, TSA and other security personnel. He stated they waited for their allotted time to come in and talk. He stated at about 9:30 at least one member of the media emerged from the hallway and that was the first inkling he had that there was some other meeting going on, as he had no way of knowing about it and had no notice of it. He stated the board has important authority out here but like all of us I think you'd find that the public does not tune into these things. They don't open the paper every morning and find out what's going on with every meeting around town. He had no way of knowing. He stated about five minutes later Mr. Darren Anderson came out and said the issue had already been decided, the board was going to reopen the park. He stated imagine his dismay at this point. He stated he did not know it was going to be decided that day and he knew certain for quite some long time they had been saying that they had security concerns they wanted brought before the Airport Authority. He stated they came into the meeting and it was initially claimed to them that they must have been mistaken and they were told 9:15 am. He stated there were some uncomfortable moments in that meeting but it was finally acknowledged that the board knew they were here in the hallway to discuss these issues. He stated to him that is not aggressive seeking out of information which is not only relevant but important and is required if anyone is going to make a decision that is going to affect every single person getting onto an airplane, not only in Fargo, but anywhere around the country. He stated it has peaked his curiosity in the meantime wondering what other decisions the decision making process might be with respect to security out here at the airport. He stated he thinks it is clear that rather than to seek those views, they came into this room, they were insulted and told repeatedly when is this paranoia going to end. It persisted no fewer than three times. It was alleged that they were suffering from paranoia. He stated he wants to be clear, he does not presume to have the answer about whether that thing should be open or shut personally disposable to him. He does know this, he knows the people and work with them closely, that have all of the up to date data and information, security threat information, up to date information on how to mitigate potential dangers. He knows those people and works with them closely and so does the Airport Authority. He knows that they were not consulted and they were not sought out. They should not have to wander into a meeting 15 minutes early with the hope that they might get in there at the right time to discuss an issue. Their door should be beat down every time a security issue comes up because they are there, they are willing to work with you, and they are charged with that responsibility. They were dismissed in this case. He stated in the days following, as he spoke with other people, it was again asserted that no one knew they were down the hall. He stated had they been 15 or 30 minutes late he would have expected a call saying how irate the board was that they were kept waiting for important information. He stated comments and reports since that time continue on with the same comments. These are paraphrases: lots of places that an attack could take place, there is not specific threat, this is taking away our freedoms, if they close they park what's next, then the terrorists have won. He stated that is a very sort of seductive, but unsustainable argument. He stated we have had metal detectors at airports for 25 years. Have the terrorists won when we have metal detectors at an airport, or has the United States secured the liberty to travel by bolstering security. He stated we have explosive screenings now and

Discussion Regarding Viewing Park Operation: (Continued)

he thinks the public supports those. He does not feel we have lost. We prohibit blades and cutters now and things we didn't prior to that. He stated prior to 9/11 the airline industry screened a fraction of the checked bags and now it is 100%. He asked where the airport would be if it wasn't for security. He stated he is pledging to the Airport Authority that they are going to work closely with them on these issues.

Mr. Wrigley stated he would be glad to answer any questions. He stated Gen. Haugen and Mr. Towers both have a presentation and Mr. Towers also has a video presentation that the Authority members should view, but it should probably not be viewed by the public and the media. Mr. Wrigley stated there will be times in any of this where there has to be trust. We have to be worthy of your trust that we are not going about things hysterically.

Chairman Clark stated that before we move on she would like to correct a couple of things stated by Mr. Wrigley. She stated at the Airport Authority meeting last week there was not an item on the agenda regarding the viewing park. She stated she did notice someone standing in the hall last week but the meeting was a public meeting so no one was excluded. She stated the decision was not a decision, it was a discussion. She stated what she found out afterwards is that there was a small group that was to meet in hopes that there would be some information provided and if there had to be a decision it would come back later. She stated we simply had a discussion on the viewing park, no official vote was taken. She also stated that unless she missed a couple of meetings, she does not remember that the Airport Authority did not take official action to close the viewing park.

Mr. Dobberstein stated the request to close the park both times came from the National Guard security. He stated we did not question the request. He stated as it continued to be closed we were prompted to open it.

Mr. Kilander stated Mr. Wrigley mentioned trust and trust is a two way street. He stated he was not at the meeting last week but he and Mr. Wrigley had a phone conversation after that point in time and Mr. Wrigley told him specifically that he was going to meet with a couple members of the Authority and it was not going to be an official meeting. He stated Mr. Wrigley also indicated that he was purposefully eliminated from any conversation with the Authority and he told him specifically that he felt it was a plot of some sort by the Authority to stonewall you and block you out.

Mr. Wrigley told Mr. Kilander "plot" was his word. He stated he would accept stonewall.

Mr. Kilander stated he followed that up with some conversations and Mr. Wrigley spoke to that point eloquently today, however, it is his understanding to this point that there was never a confirmation for his group to meet with anybody from this group. He stated if he is wrong on that he would surely like to hear it. However, he feels these points are completely moot. He stated this is history, it happened a week ago and the reason for today's meeting is to get the information as to why or why not that park should be opened, why or why not that park is more unique than the entrance road, 19th Avenue North, the entrance road to the Air Guard itself, the parking lots at the airport, the parking lot at Fargo Jet Center up north, the tree stands around the airport, or for that matter why we are more secure if all of those things were closed with airports coming into this airport from Casselton or Kindred or a grass strip someplace in wherever. He stated there are a lot of questions we would like to have answered. He stated he feels it is absolutely counter productive to

Discussion Regarding Viewing Park Operation: (Continued)

sit here point fingers and talk about who felt bad. He stated he has worked with this Authority for over two years and there isn't a soul on this Authority or administration that would purposely stonewall any information to come before it to make reasonable and rational decisions. He stated if that position is continued he takes that as a personal affront of the integrity of every person around this table and he doesn't think that is warranted.

Mr. Dobberstein stated we had scheduled to meet at Mr. Wrigley's office the last week in May but a couple of days before that we had to cancel the meeting due to schedules. He stated he had then called Mr. Wrigley's office and checked on the possibility of rescheduling the meeting to June 10 immediately following the Airport Authority meeting (9:15 or 9:30). He stated he had a conversation with a staff person and also left a voice mail. He stated she called back confirming she received the voice mail but we never heard back confirming that date and time would work. He stated that is water under the bridge. He stated the fact is the viewing park is still closed. He stated he apologized to Mr. Wrigley then and he apologizes to him now. He stated the meeting may not have been under the best of terms. He stated none of the nine people who came that day called to confirm that they were coming. He stated he relied on a conversation with the staff person who indicated she would check the schedules and see if it would work and that is the last he heard.

Mr. Kilander stated he would like to progress to the presentations and the information that is germane and available so that we can make a decision.

Mr. Wrigley stated Mr. Kilander mentioned the issue of no confirmation. He stated he does not confirm any of his meetings but he will take it at face value and say they should have confirmed. He stated he will also take it at face value the admission of people in this room acknowledging that they knew we were standing in the hall. He stated that does not strike him as aggressive decision making and aggressive gathering of information. He stated this is the first time he has ever been told that this was a preliminary decision. He stated the meeting did get a little testy that day but they were told nothing about the decision being preliminary. He stated he does credit the Authority for having us come back today. He stated the issue of no confirmation of the meeting was made moot by the fact that they knew they were standing in the hallway. He stated in most cases it would be counter productive, but in this case he feels it is productive and critically important because he can't stay out here at the airport every day and wonder what decision making process is in place for security issues. He stated he feels charged with the responsibility of making sure that an area in which they have input, and should have input, and it should be sought, that a decision making process is in place. He stated he feels that revisiting those issues is not counter productive because if we are going forward we need to make sure that in the future we are going to be on the same page about these issues. Not to the same end but to the same page about how to make sure that we are consulting the most recent, up to date information with the best experts possible.

Gen. Mike Haugen, Adjutant General of North Dakota, was recognized and stated as he was thinking about what we were going to discuss today he thought we should review how he made his decision/recommendation on this matter. He stated he started thinking about the airport and what is important at the airport. He stated a lot of people have a lot of niche ideas about airline transportation, light airplanes, or businesses at the airport. He stated the airport is a place that does

Discussion Regarding Viewing Park Operation: (Continued)

a lot of things. It provides employment for a lot of people. It provides knowledge for our youth. It is a safety place and it also provides recreation for pilots who want to fly and people who want to watch airplanes. He stated it does all of those things and we all have a responsibility. He stated his responsibility in his position comes through the governor's office, the Department of Defense, and the unit located here, the 119th Fighter Wing. He stated he tried to make an outcome based decision to balance safety, security and the public interest, and all of those have been taken into consideration. He stated he has looked at facts and tried to come up with a fact based decision. He stated the President's Homeland Security Advisory Council talks about sharing information and how we need to do a better job of that, in the intelligence network, both in the Department of Defense and the civilian sector, the Department of Justice.

Gen. Haugen stated he looked at various things including some which is classified. He stated in looking at all of the information, and in his many years of being associated with security, he can tell you that security is always a balance between whether you want to use what you have or whether you want to secure what you have. He stated you can secure and not use it but it doesn't do you much good. He stated he looked at information he received from the Guard, a report from the OSI in Grand Forks, and then tried to balance the public good for the Airport's purpose. He stated obviously it is the Airport Authority's decision whether or not to open the park. He stated what he did was looked first of all at the potential. What is the potential of having the park open? He stated it is a high ground, it is close to the airport, it is a good place to observe, and it does many things that a terrorist or someone plotting something can use. He stated it has potential and it is an excellent observation point. He stated it is a good place to shoot from and it is a good place to launch hand held weapons if we really get out to the extreme. He stated it is probably not the best place around. Gen. Haugen stated the next thing he looked at was probability. He stated probability is a review of threats, current threats, foreign threats, or regional threats. He stated the information he reviewed was from the Office of Special Investigations out of Grand Forks and they produce this information for us every year. He stated in looking at probability, it is low. He stated he looked at potential and probability and he came up with a decision. He stated his recommendation would be if the park is going to be open then we should look at some mitigating circumstances for potential. He stated probability will change. It will go up and down and threats change. He stated he asks that if the park is open that the potential is mitigated, and the Guard can share in some of those things. For example, hours of operation. He stated when the park is closed there should be a gate closing the entrance. He stated we can look at added patrols from the Fargo Police Department and the Guard. He stated he is not sure what the TSA's responsibility is outside of the fence, if they have one. He stated there are some procedures and policies that can be worked out for closing the park periodically. He stated he does not want to encourage the airport to bounce up and down with the Federal system because a threat to a power plant in Arizona should not affect the viewing park in Fargo. He stated he would be willing to answer any questions and offer any assistance the Guard can give with mitigation.

Mr. Kilander stated Gen. Haugen referred to some other locations which would be better than the viewing park. He asked what is unique about the viewing park.

Discussion Regarding Viewing Park Operation: (Continued)

Gen. Haugen stated the unique thing about the park is that if you have people parked there observing, you get used to it. He stated if someone wants to observe the F-16s and whether or not they are loaded with weapons, etc., they may not stand out. He stated if they are parked somewhere else they would stand out. He stated he used to live in Washington, DC right next to Reagan National Airport and within 150' crossing the highway there is a park between the interstate and the park and it is not closed, it is open. He stated the potential and probability is much higher there but it is still open.

Mr. Kilander stated because of all of the other potential areas around the city from which to observe aircraft, he has trouble believing that anyone parked in the viewing park is really in that unique of a situation if their goal is to observe what is happening around them.

Gen. Haugen stated he reviewed the recommendation given to him by the Guard officers and security people gave him and their job is to be secure. He stated he has a responsibility to offer the Airport Authority information for the larger picture. Again, he has no recommendation on the park except that if it is opened he would like to have the National Guard involved in the process of helping to mitigate some of the potential. He stated he doesn't think having it opened, closed, or removed are the only options. He stated he feels there are other options and he would like to help.

Mr. Wrigley stated obviously there are things that Gen. Haugen cannot divulge at a public meeting but he asked Attorney Stewart if there is a process by which information can be conveyed to this Authority without exposing that information as a security risk substantially to this and other airports. He stated there are obviously things Gen. Haugen can't talk about.

Attorney Stewart stated given our wide open meeting laws in North Dakota we have some problems with that.

Mr. Dobberstein stated he asked Mr. Gary Ness, ND Aeronautics Commission, about these unique situations regarding security matters. Mr. Dobberstein stated we can meet in executive session for potential litigation, etc., but there should be a means under the statute to allow those decision makers to have access to sensitive security information. He stated he and Mr. Darren Anderson receive security directives which are very descriptive of with whom the information can be shared.

Mr. Kilander stated that we cannot meet as a board but the Executive Director can have individual discussions with the board members.

Gen. Macdonald stated you used to be able to get clearance for specific items. He stated we have a Director of Security (Darren Anderson) and it would appear to him that it would be relatively easy to get him either a clearance, period, or specific clearance. He stated he thinks there is a need for the TSA or the ATTF to communicate any information on threats to the Airport Authority. It is not up to the Airport to go to them. He stated under those circumstances Darren Anderson should be allowed to receive that specific information without necessarily telling board but rather advising the board of the necessary action to be taken.

Gen. Haugen stated it really comes down to needing to know the specifics. He stated if it came down to a specific threat to the airport he would have no problem in the classification realm specifically telling, first of all probably Mr. Dobberstein, that we have a credible threat. He stated the

Discussion Regarding Viewing Park Operation: (Continued)

biggest issue on security and releasing classified information is that you don't want to jeopardize sources because the sources may dry up. He stated he does not think the airport would need to see an actual secret document to be convinced that there is a problem. He stated he can also say that there are a lot of things that go on in this state that we don't expect should be happening.

Mr. Kilander stated that knowing we do have an employee of the Airport Authority charged with the responsibility, from our perspective, of security at the airport. He asked if it would be prudent for that person to be invited to be part of the task force.

Gen. Haugen stated that is a question for Mr. Wrigley.

Mr. Wrigley stated there is a mandate on that and we would of course have to have the clearance, but he would be happy to have him there.

Mr. Bruce Towers, Federal Security Director, TSA, was recognized and stated after 9/11 congress passed the Aviation and Transportation Security Act and part of that act was creating the position of Federal Security Director. He stated his responsibilities include a lot of the items discussed today. He stated since they came to the airport the TSA works with the Airport Authority on a lot of these issues. He stated he retired from the Secret Service so he could be considered an outsider, but he is not totally lacking local input and introduced John Sanderson and Jon Holman, who were previously with the Fargo Police Department. He stated he is not going to go into great detail on the matter of the viewing park, as he has a presentation that was put together by his intelligence officer that we can share with a select part of the board. He stated there are some things in the presentation that he does not want shared with the general public.

Mr. Towers stated that they have never suggested that they have the authority to close the viewing park. That is solely within the province of the Airport Authority. He stated they just want the opportunity to present the information from the point of view of the Air Force, the TSA, and the US Attorney. He stated when the US Attorney speaks he represents the entire ATTF, which is an assembly of all of the law enforcement agencies in North Dakota. He stated the biggest reason they are interested in the viewing park rather than other locations is proximity. He stated it is very close and has a good result for people who want the aircraft but also presents a great observation post. He stated someone in the viewing park would enjoy anonymity. He stated they could be there all day and would not stand out. He stated he is not suggesting the viewing park is a horrible thing. It is just that people can be there without standing out in any way. He stated many of these people are very patient and many take a long time planning and observing and even determining whether or not a target merits their attention. Mr. Towers stated with the design of the park, which was definitely designed on purpose, also serves a purpose of giving people in the area cover from the surrounding areas. He stated he is not going to go into any further detail of how they view that as a threat.

Mr. Towers stated the Federal Security Director has responsibilities in three broad areas:

Law Enforcement – He is to supervise all law enforcement activities under the purview of TSA. He stated a lawyer could probably interpret that phrase and tell him what purview means. He stated they are supposed to coordinate law enforcement activities of other agencies that participate in securing the airport, such as the Fargo Police Department and the Guard Security Force. He stated one of his roles is to coordinate those efforts and make sure everyone is talking to each other.

Discussion Regarding Viewing Park Operation: (Continued)

He stated the other area is regulatory inspection. He stated this is the old FAA Civil Aviation Security responsibility. He stated that was transferred to the TSA and kind of decentralized with the creation of TSA. He stated they also have responsibility for all of the inspection activities that insure compliance with the Aviation Security Act, Title 49.

Mr. Towers stated once the ATTF decided there was a consensus that the viewing park was a matter they wanted to address with the Airport Authority and at that time it became an ATTF matter, at which time Mr. Wrigley became more involved. He stated at a time that is convenient he would like to show the Airport Authority the presentation Mr. Hudson put together on this issue, but this would not be the proper forum.

Mr. Anderson asked if the presentation is something the select group should see before we discuss the issue any further.

Mr. Towers stated he would suggest it. He stated it would not be proper to do it in an environment with the general public.

Mr. Wrigley stated Attorney Stewart is the expert on the open meetings law and he would not invite the Airport Authority to do anything that would invite a violation of that. He asked if one board member could view the presentation without a violation.

Attorney Stewart stated not if there is no decision to be made.

Mr. Kilander stated it is his understanding that there cannot be a majority of the board members present. He stated we could view it two at a time.

Mr. Pawluk stated he would like to see Chairman Clark and Gen. Macdonald view the presentation.

Mr. Kilander asked for a five minute recess and what you do on your time is up to you.

The meeting resumed.

Mr. Wrigley stated he is available to ask any further questions. He stated that was all Mr. Towers has for the board. He stated we are now entrusting ourselves to our able counsel. He stated again he appreciated the opportunity to be here today to discuss this matter.

Mr. Larry Miller, FAA, was recognized and stated he would like to offer two perspectives, one as the manager of the SSD for the maintenance department of the tower. He stated they have noticed, since the park has been closed, an extremely large amount of people who use our parking lot at the control tower as a viewing area. He stated for them this is a security concern. He stated when the viewing park is open they do not have that traffic, and they do not have a way to control that traffic and their facility is not patrolled by the Fargo Police Department or the Guard. He stated from their aspect, to not have a place for the public to view airplanes is detrimental to their facility. He stated speaking as a citizen of Fargo he would like to express his appreciation for the use of the viewing park. He stated he has lived here 11 years now and when his children were younger they used to come out to watch the planes quite often. He stated with the singular exception of Gravity Point in Washington, DC, he feels it is as good a viewing park as any he has seen. He stated he is sure there are some security issues. He stated he would urge the board to take whatever necessary mitigation is needed but he would encourage them to consider keeping the utilization of the park for the citizens of Fargo.

Discussion Regarding Viewing Park Operation: (Continued)

Mr. Pawluk stated he would like Gen. Macdonald's recommendation.

Gen. Macdonald stated he has appreciated the meeting today, it was very constructive. He stated we have a public meeting the second and fourth Tuesdays of every month at 8:00 a.m. and if anyone wants to get on the agenda you just need to make a phone call by noon on the Friday before the meeting. He stated his position has been and remains that we either open the park or take it out. He stated to leave it there with barricades to keep out the honest people is self-defeating. He stated someone wanting to do harm could get into the park. He stated he thinks Gen. Haugen hit it on the head and he will go with his thoughts. He stated he recommends that the park be opened and that the hours be from dawn to dusk, and that the park not be opened until we procure a gate which will be closed when the park is closed. He stated we should make arrangements with the Fargo Police Department and the Guard to patrol the park at random times. He stated we should also procure a couple of signs indicating that if you notice any suspicious activity you should call the number shown. He stated it would be his opinion to open the park after those conditions have been fulfilled.

Gen. Macdonald stated we should again revisit this issue again next spring when we begin the reconstruction of Runway 17/35. He stated the park will probably have to be closed for many reasons.

Mr. Dobberstein stated there is a project scheduled for the next couple of weeks to move the fence in the area of the viewing park, but that has absolutely nothing to do with the viewing park. The relocation of the fence is part of the Runway 17/35 reconstruction project. He added that if the park is opened, we will be closing it July 3 and 4 for the airsho.

Mr. Kilander stated he would like to see us move forward with Gen. Macdonald's proposal, however, he would like to see set hours for the park rather than having the sun control it.

Mr. Pawluk stated there is probably as great a risk for security concerns when the park is closed as when it is open. He stated when it is closed and there is activity there then it truly is unobserved. He stated otherwise there is traffic in and out than may observe those things that could take place.

Chairman Clark stated we came to a consensus before. She stated we have a recommendation so we can either handle this with a motion or by consensus.

Gen. Macdonald moved the viewing park be opened after we have installed a gate and proper signage, with set hours for the park.

Second by Mr. Pawluk.

Mr. Kilander stated he would like it to be on record that we have taken into account particularly Gen. Haugen's comments and he is charged with many of these responsibilities, which is balancing potential and probability. He stated with that in mind he is very comfortable in supporting Gen. Macdonald's motion.

Chairman Clark called for a vote on the motion.

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

Discussion Regarding Viewing Park Operation: (Continued)

Mr. Anderson stated there is apparently sensitive information available to Mr. Wrigley and others on his task force. He stated if that information is on a "need to know" basis and the board members themselves do not need to have all of the information then he would trust that Mr. Dobberstein would make the proper decision based on the information and should have full authority to make those decisions and then advise the board members accordingly.

Mr. Pawluk stated he does have that authority.

Mr. Kilander stated he would agree but he would like that person be our security coordinator, Darren Anderson. He stated he would truly like to see Mr. Wrigley and his people find a way to get Darren involved in the task force. He stated he is the one that we look to when it comes to security at the airport.

Mr. Wrigley stated he thinks that is a good suggestion and if there is a way to do that we will.

Mr. Wrigley stated he knows one of the first questions he will be asked, with regard to action taken today, will be "is that enough?" He stated he will not answer that question because that is not what he is here for, that is the function of the Airport Authority. He stated he thinks this is exactly the way he would envision the process going. He stated hearing from members of our ATTF like Gen. Haugen and Mr. Towers and other when the situation warrants, and then leaving it up to the decision makers to find that balance.

Other Business:

Mr. Dobberstein stated our congressional delegation was going to do the congressional announcement on the AIP grants that are issued to North Dakota. He stated this is one of the processes in order for the FAA to release the funds. He stated we will not be meeting until July 8 so he would like the board to take action today to accept the grant, subject to review and approval by Attorney Stewart.

Gen. Macdonald moved to accept the grant from the Federal Aviation Administration for Project 3-38-0017-28, subject to review and approval by Mr. Dobberstein and Attorney Stewart.

Second by Mr. Anderson.

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, July 8, 2003 at 8:00 a.m.

Time at adjournment was 9:58 a.m.

Regular Meeting

Tuesday

July 8, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 8, 2003 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: O'Keeffe, Lynch

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 17, 2003:

Mr. Kilander moved to approve the minutes from the special meeting held June 17, 2003, with one correction noted by Gen. Macdonald.

Second by Mr. Pawluk.

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

Approved the Airport Vouchers Totaling \$22,177.11:

Mr. Pawluk moved to approve the airport vouchers totaling \$22,177.11.

Second by Gen. Macdonald.

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:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,892.51 to Flint Communications for payment request for 2003 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 MinKo Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$46,375.00 to MinKo Construction for payment request #6 for general construction of 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 Ron's Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,141.74 to Ron's Electric for Payment Request #6 for electrical construction of 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 Sherman Plumbing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,494.00 to Sherman Plumbing for Payment Request (Final) for mechanical construction of 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 SmithCo:

Mr. Pawluk moved to approve the individual voucher in the amount of \$9,360.00 to SmithCo for Payment Request #1 for general construction of Eastside Terminal modifications.

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 Manning Mechanical:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,485.00 to Manning Mechanical for Payment Request #1 for mechanical construction of Eastside Terminal modifications.

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 Northern Improvement Company:

Mr. Pawluk moved to approve the individual voucher in the amount of \$79,831.12 to Northern Improvement Company for Payment Request #1 for 2003 Airport Improvement Projects, 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.

Received Update on Airport Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated now that the air show is over we have started on this year's project. He stated Runway 13/31 is closed for the duration of the summer. He stated they have started to remove pavement today and should move forward at a fast pace.

Mr. Dobberstein stated the patio entry project is pretty much done and looks very nice at night with the new lighting. He stated they are meeting today at 2:30 to go over the final punch list.

Mr. Terry Stroh, TL Stroh Architects was recognized and stated he was out here last night and it really looks great at night.

Gen. Macdonald stated he would like to compliment Mr. Stroh on that project as it really looks good.

Mr. Dobberstein stated on the restaurant project we are waiting for delivery of the furniture. He stated there is also a punch list of small items to go over with the architect and contractor.

Mr. Pawluk asked about the Hector historical items that were going to be placed in the cases along the walkway in the restaurant.

Mr. Dobberstein stated those cases do not have glass in them so we would not be able to display items in those areas.

Mr. Pawluk stated we have kind of lost track of the display we had talked about previously, which was supposed to be located in the departure lounge. He stated he realizes that the change to ticketed passengers only has been the main reason. He stated there were also some items that had been pledged to the Fargo Air Museum.

Mr. Dobberstein stated all of the items received from the Harold Salutt family were given to the museum.

Mr. Pawluk stated he is referring to the items pertaining to the Hector family.

Mr. Dobberstein stated Earlyne Hector has been working with Michael Robinson, NDSU.

Mr. Pawluk stated he just does not want us to lose sight of the heritage of some of these historical documents and events that involve this airport because at some point they will no longer be accessible, either the actual item or the story behind them.

Mr. Dobberstein stated SmithCo, Manning Mechanical and Modern Electric are proceeding with the renovation project in the Eastside Terminal. He stated the sheet rocking is pretty much complete. He stated the project is moving forward and looking good.

Received Update on Airport Projects: (Continued)

Mr. Dobberstein stated with regard to next year's runway reconstruction project, he has met with Erik Johnson and they had a conference call with Mr. Al Erickson regarding the bond process. He stated Mr. Erickson will be in Fargo on July 14 to meet with us.

Gen. Macdonald stated he wants to make sure we have enough latitude in the financing so that we can complete the project in one year. He stated we do not want to delay the project if the FAA comes up short in funds.

Approved Change Order #G-4 in the Amount of \$4,949.00 to MinKo Construction for the Restaurant Remodeling Project:

Mr. Kilander moved to approve Change Order #G-4 in the amount of \$4,949.00 to MinKo Construction for the restaurant remodeling project.

Second by Gen. Macdonald.

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

Reviewed Proposed Lease Amendment for FAA ASR11 Project Site:

Mr. Dobberstein stated the ASR11 is the new radar unit the FAA is proposing to place in Fargo during the 2004 construction season. He stated they have provided a lease amendment to be attached to the master lease that the Airport Authority entered into with the FAA in 1987 that will run through September 30, 2007, for a number of different sites on the airport.

Mr. Dobberstein the amendment contains the guidelines for development which we have discussed with them at great length and the guidelines show they will accommodate development adjacent to the radar facility. He stated the wording is as follows:

"Within 1500' of the ASR11 radar site new structures shall be limited to less than the height of the radar tower deck or 67' whichever is less, subject to the height of the radar tower deck being no less than 50'."

Mr. Dobberstein stated that should allow us to construct a pretty good sized building in that area.

Mr. Dobberstein stated the requirement for use of non-reflective materials on any buildings is pretty standard in a lease involving radar. He added that he feels pretty comfortable with allowing the FAA to proceed with the construction of the radar on the agreed site.

Mr. Pawluk moved the Airport Authority approve the proposed lease amendment for the FAA ASR11 Project Site.

Second by Mr. Kilander.

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

Received 2002 PFC Audit Report:

Mr. Dobberstein stated we have received the report for the audit on the 2002 PFC funds. He stated the audit was conducted by EideBailly and their report indicates that we complied with all of the requirements.

The 2002 PFC Audit Report was received and filed without objection.

Received Second Quarter 2003 PFC Report:

Mr. Dobberstein distributed the PFC Report for the second quarter of 2003. He stated our PFC year to date for 2003 (through 6-30-03) is \$462,894.94.

The PFC report was received and filed without objection.

Mr. Dobberstein stated we are in the process of our application for our next PFC collection and we have a meeting scheduled with the airlines for July 30. He stated the airlines have an opportunity to review the proposed projects in the PFC application.

Considered Request from Dakota Jet Regarding Charter Operation:

Mr. Dobberstein stated we received a request from Dakota Jet requesting to provide charter service. He stated this request is similar to three others we have received in the recent past (Northern Jet Aviation, North Central Construction, and Business Systems Aviation). He stated they are entering into an agreement with an FBO to provide charter service and under that agreement they will pay the Airport Authority \$200 per month of 1.5%, whichever is greater. Mr. Dobberstein stated they have provided us with a proposed agreement, but the agreement we will use is the same as those we have used in the past. He stated Dakota Jet has proposed an effective date of August 1, but he would like the agreement effective June 1, 2003, as they have already conducted some operations.

Gen. Macdonald moved to approve the request from Dakota Jet to provide charter service, subject to their meeting all guidelines.

Second by Mr. Kilander.

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

Certify Mill Levy to the Board of City Commissioners for 2004 Improvements, As Per Section 2-06-14 of the North Dakota Century Code:

Mr. Dobberstein stated we have gone through our budget process for 2004 and certifying the mill levy is part of that process. He stated he is recommending two mills, which is estimated to net \$393,000 for calendar year 2004.

Mr. Kilander moved that the Airport Authority certify a two mill levy to the Board of City Commissioners for 2004 improvements, as per Section 2-06-14 of the North Dakota Century Code.

Second by Gen. Macdonald.

Gen. Macdonald stated he feels it is important to note that state law allows the Airport Authority to levy up to four mills and we are only taxing at two mills.

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

Other Business:

Gen. Macdonald asked if we have heard anything from Drew Wrigley's office regarding Darren Anderson's involvement with the terrorism task force.

Mr. Dobberstein indicated we have heard nothing.

Gen. Macdonald moved the Airport Authority direct Chairman Clark to contact Mr. Wrigley regarding the membership of Darren Anderson on the Anti-Terrorism Task Force.

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, July 22, 2003 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:25 a.m.

Regular Meeting

Tuesday

July 22, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 22, 2003, 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

Acting Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 8, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held July 8, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$19,359.69:

Mr. Pawluk moved to approve the airport vouchers totaling \$19,359.69.
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 EideBailly:

Gen. Macdonald moved to approve the individual voucher in the amount of \$520.00 to EideBailly for professional services in connection with the 2002 PFC Audit.
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 Legend Technical Services:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,320.00 to Legend Technical Services for payment request for asbestos testing for Eastside Terminal Modification 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 Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,810.50 to Modern Electric for Payment Request #1 for electrical portion of the Eastside Terminal Modification.

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 \$2,737.34 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Improvement Projects, 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 \$19,435.11 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 \$2,646.73 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PFC #6 Application.

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 SmithCo:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,824.00 to SmithCo for Payment Request #2 for general construction of the Eastside Terminal Modification 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 Manning Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,432.00 to Manning Mechanical for Payment Request #2 for mechanical construction of Eastside Terminal Modification 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 Opp Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$13,270.00 to Opp Construction for Payment Request #2 (Final) for construction of entry patio 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 TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$285.00 to TL Stroh Architects for payment request (final) for architectural services in connection with entry patio project.

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 Change Order #E5 to Ron's Electric in the Amount of \$676.53 for Restaurant Remodeling Project:

Mr. Dobberstein stated there were some electrical changes in the restaurant project. This Change Order includes an item to support non-conforming existing conduit/cable to meet code (\$604.03), Installation of four stainless steel plates for east side of bar (\$150.00), and a deduct of \$77.50 to eliminate six port data hubs.

Mr. Pawluk moved to approve Change Order #E-5 in the amount of \$676.53 to Ron's Electric for the restaurant remodeling project.

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.

Received Communication from NDSU Regarding Use of Shelterbelt:

Mr. Dobberstein stated we received a communication dated July 14, 2003 from Mr. Ryun Godfrey, NDSU cross country coach, requesting permission to develop the shelterbelt on the east and west side of Cass County Drain #10 into a running trail. The letter indicated it is their intention to begin clearing the area and wood chip the existing trail. The wood chips provide a soft surface on which to run and also allow moisture to seep through.

Gen. Macdonald moved to approve the request from NDSU and authorize them to develop the running trail in the shelterbelt at their cost.

Second by Mr. Pawluk.

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

Received Update on Airport Improvement Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they started the airfield improvement project right after the air show and the project is moving along good so far.

Mr. Dobberstein stated on the restaurant project, all of the new furniture is in place with the exception of the deli area tables. He stated there is some additional work on the wall that was replaced in the kitchen area. The flooring installer is going to be putting the finish on the vinyl wood flooring.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the patio project is complete. He stated they did change and adjust some of the pavers.

Mr. Dobberstein stated we received a communication dated July 21, 2003 from Fargo Aero Tech requesting additional lighting on the south general aviation ramp. He stated Mr. Babolian's letter indicates the need for better lighting.

Mr. Dobberstein stated the letter refers to an incident where a Cessna 402 hit a Mooney on the prop and cowl and the Cessna hit on its right tip fuel tank. He stated he thought this was a recent incident but after checking on it he found out it happened several years ago and the pilot was not following the taxi lines, he was in the tie down area. He stated this incident had nothing to do with poor lighting.

Mr. Pawluk stated he has always felt that it was dark in the south general aviation area.

Mr. Dobberstein stated we can have Joel Kath from Ulteig Engineers put together a proposal. He stated our options would be to either increase the illumination on the existing lights or mount additional lights.

Gen. Macdonald stated he would recommend increasing the illumination rather than additional poles.

Discussed Farm Land Lease Proposal Process:

Mr. Dobberstein stated this is the last year of the three year term of our farm land leases. He reviewed the process, which is basically to place advertisements in the Farmer's Forum in August with bids to be received and opened late in August or early in September and award the contracts at our first meeting in September.

Mr. Dobberstein stated the Fargo Park District came before the board earlier this year requesting to lease about 10 acres east of North University and south of County 20 for a neighborhood park. He stated we have talked in the past about leasing the balance of that area to NDSU for hay land which would be better for the residential area adjacent to it since we have received some complaints in the past from residents who get quite a bit of dirt blowing into their yards from the empty field. He stated if the tract was leased to NDSU they would not have to bid on it, they would simply pay the average rate of the leases on the other tracts.

Mr. Dobberstein stated the Park District is planning on getting started on the park this fall after the crop is off the field, but will still have to come before the Airport Authority for final approval of their plans.

Discussed Farm Land Lease Proposal Process: (Continued)

Mr. Dobberstein stated the day the bids are opened the bidders will be able to be present and orally increase their bids.

Mr. Pawluk asked if NDSU needs more land.

Mr. Dobberstein stated he stated that is what we need to verify. He stated they have been advised that we will be taking away the 20 acres for the batch plant for a couple of years. He stated he will be checking with NDSU.

Other Business:

Mr. Bob Anderson stated he noticed as he came in this morning that both the short and long term lots are looking bad (not the new long term lot). He stated they have done some patch work over the last year but he feel it is time that we ask them to seal coat the lots to improve the appearance and maintenance.

Mr. Dobberstein stated he is expecting a representative from Standard Parking here either today or tomorrow.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 12, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:21 a.m.

Regular Meeting

Tuesday

August 12, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 12, 2003, at 8:00 am in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Anderson, Clark
Absent: Kilander, Pawluk
Others: Stewart, Lynch

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 22, 2003:

Mr. Anderson moved to approve the minutes of the regular meeting of the Municipal Airport Authority held July 22, 2003.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$16,277.87:

Mr. Anderson moved to approve the airport vouchers totaling \$16,277.87.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander, 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 \$234.00 to Foss Associates for payment request for architectural services in connection with the restaurant project furnishings.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$2,531.94 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$1,952.86 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal Remodeling Project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$2,030.72 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$978.59 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal Modification Project – Area 1.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$209.00 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project – furnishings.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, 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 \$6,780.33 to Flint Communications for payment request for 2003 airport marketing program.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement:

Gen. Macdonald moved to approve the individual voucher in the amount of \$236,383.02 to Northern Improvement for Payment Request #2 for general construction of 2003 Airport Improvement Projects, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$543.62 to Ron's Electric for payment request #7 for electrical construction of restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, Pawluk

The motion was declared carried.

Received Update on Airport Improvement Projects:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated things on the project are going along well. He stated they are installing the cement treated base for the taxiway and will start paving this week. He stated when the alfalfa crop is done they will begin work on the batch plant portion of the project.

Mr. Dobberstein stated with regard to the Eastside Terminal Modification Project, Smithco, Manning Mechanical and Modern Electric should have that project wrapped up in about a week or so.

Mr. Dobberstein stated there has been no progress in the restaurant project since the last meeting. He stated we have received word that the deli table tops have arrived but we are still awaiting the bases. He stated there is a punch list of small items yet to be completed. He stated the gate between the deli area and the rest of the restaurant has to be replaced as the wrong gate was installed. He stated the vinyl flooring needs to be buffed and finished. He stated there are also some issues with stains on the carpet that will not come out.

Mr. Dobberstein stated we are still in the process of trying to wrap up the 1999 wind storm project. He stated we are still working with ND Emergency Management on the Hangar #2 project.

Mr. Dobberstein stated we are currently advertising for sale our two loaders which we replaced earlier this year. He stated if we do not receive any bids or if we reject any or all bids we receive we still have the option of placing them on the City's auction this fall.

Receive Update on Airport Property:

Mr. Dobberstein stated in October 2000 we had appraisals done on three tracts of property the airport would be interested in purchasing from three different parties, Stockman, Marcil and Larson. He stated he thinks we are close to coming to terms with Mr. Stockman on his parcel. He stated we had made an offer to Marcil but her counter offer was considerably higher. He stated the appraisal on that parcel was \$5,000 per acre and her counter offer was \$17,000 per acre. He stated he has tried many times to get together with Mr. Larson but he is never available.

Mr. Anderson asked where the money for land purchases comes from.

Mr. Dobberstein stated we would use money from our reserve funds. He stated our current PFC application we are preparing would allow for us to collect on the purchase of only one of these tracts. The FAA wants us to wait with the other two tracts until we move closer to more formal plans for Runway 17L/35R, which will help in the justification for the purchase of the property. He stated since part of the property is in the runway protection zone they would first like us to exhaust all efforts for aviation easements or zoning of the property. Mr. Dobberstein stated in our recent meeting with the airlines regarding the PFC application, Northwest Airlines indicated they would like us to defer the property purchase for the proposed runway until their ridership increases. He stated the this board has been committed since the late 1990s on its Master Plan to acquire the land as that is the only sure way to control the development of the land.

Received Update on Airport Property: (Continued)

Mr. Dobberstein stated unless the board members have another desire he will continue to pursue the acquisition of these tracts. He stated as far as the Marcil property, we should probably advise her that we are not interested in her counter offer of \$17,000 per acre and take the matter up at a later date. He stated if she does chose to develop the property for residential use we would then protest that. He stated commercial development would be a different story.

Mr. Dobberstein stated that we have received a check and signed purchase agreement from the Hemelstrands (Dakota Air Parts) for Hangar #2. He added that they are working with the City of Fargo on a property tax abatement.

Received Update on Funding for Runway 17/35 Reconstruction Project:

Mr. Dobberstein stated that he provided to the board members a copy of a memorandum dated July 23, 2003, from Mr. Al Erickson, Executive Vice President of the Springsted firm in St. Paul, which is the firm that our bond counsel, Mr. Erik Johnson, works with on bonding matters. He stated he, Mr. Erik Johnson and Mr. Gary Stewart met with Mr. Erickson in late July. He stated Mr. Erickson laid out some of the options if we were to issue revenue bonds for a portion of the runway project next summer. He stated as we get closer to refining the project costs and knowing more what our federal entitlements and discretionary funding will be. He stated he met with Senator Dorgan yesterday and he indicated he has put in for the entire \$15 million we have requested in the Senate bill, but they will not mark up that bill until late September or October. He stated the revenue bonds will cover anything that we will need to cash flow this project for 2004-2005.

Mr. Dobberstein stated he and Mr. Synhorst will continue to work with the FAA Airports District Office in their process to take our request to the FAA Great Lakes Region Office.

Receive Update on the Port of Entry Designation:

Mr. Dobberstein stated Senator Dorgan had a press conference here yesterday to make the formal announcement that Fargo has been granted permanent port of entry status for our US Customs Office. He stated the next logical step for us is to pursue a Foreign Trade Zone. He stated the Airport Authority discussed this a few years ago and Mr. Tracy Myers had quite a bit of information on FTZs from people he knows who had been involved in establishing an FTZ. He stated at that time Senator Dorgan's office sent us an application, which was about five or six inches thick with rules, regulations, etc.

Mr. Dobberstein stated the estimate to prepare the application is \$50-60,000, based on knowledge gained by Mr. Brian Walters, Fargo-Cass County Economic Development Corporation, who was involved in the process in Amarillo, TX. He stated FCCEDC would like to partner with the Airport Authority, splitting the cost if possible, to prepare that application. He stated the benefits to the airport because of a FTZ would lead to an increase in air cargo activity, which would make the property in the Airport Industrial Park more attractive possibly to a firm looking for a center for

Receive Update on the Port of Entry Designation: (Continued)

distribution by air. He stated any investment made by the Airport Authority in establishing the FTZ will pay for itself. He stated we believe there are a number of companies within the Fargo-Moorhead area which will benefit immediately from a FTZ (Bobcat, Phoenix International, CNH Global, Gem Motor Car). He stated he would like some feedback from the board members on whether or not they are willing to partner with FCCEDC and possibly even the City of Fargo or some of the businesses that will benefit from the FTZ.

Mr. Dobberstein state it is Mr. Walters' desire that the Airport Authority be the lead agency, which is not uncommon around the country for the airport to manage the FTZ. He stated he does not know exactly what is involved with that but that is information he hopes to have available at the next meeting.

Gen. Macdonald moved the Airport Authority authorize an expenditure of 50% of the cost, not to exceed \$30,000 to hire a consultant for the establishment of a foreign trade zone on the airport.

Second by Mr. Anderson.

Mr. Anderson stated he does not know that much about foreign trade zones. He stated if we are the lead agency he would also like to know what we are looking at as far as personnel needs.

Mr. Dobberstein stated he has many questions as well. He stated Mr. Walters seems pretty committed that this is a priority for economic development for Fargo-Moorhead.

Mr. Synhorst stated as a point of information, the Grand Forks Airport has shown an area of land for a foreign trade zone on their Master Plan for a number of years.

Mr. Dobberstein stated there are some real benefits to the agricultural industry with a FTZ. He added that he is going to talk with some more airports around the country with FTZs.

Chairman Clark called for a vote on the motion.

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

Received Communication from Bill Wiemann Advising of Sale of Hangar and Request for Assignment of Lease:

Mr. Dobberstein stated he expected to have a communication from Mr. Bill Wiemann advising of the sale of his hangar but he has not received the letter.

Mr. Dobberstein stated Mr. Wiemann owns the tan colored hangar along 19th Avenue and he was verbally advised that he has sold the hangar. He stated he has advised him repeatedly that he needs to advise the Airport Authority of the sale and also request that the lease be assigned to the new owner. Mr. Dobberstein stated he does not see any problem with the sale, it is just a technicality to go through the proper process.

Other Business:

Mr. Dobberstein stated we are currently advertising the farmland for lease and bids will be received on August 28, 2003 at 10:00 a.m. He stated the bidders will need to be present and will be able to orally increase their bids.

Other Business: (Continued)

Mr. Dobberstein stated we recently discussed the rotation of financial reviews of the tenants. He stated the giftshop is the next in line for a review. He stated if we follow the pattern that we have set up it will be the car rental agencies next year, the FBOs the following year, restaurant and parking lot after that.

Mr. Dobberstein stated he will advise Kevin and Sheryll Clapp of the upcoming financial review.

Mr. Dobberstein stated sometime before the end of August we need to enter into a reimbursable agreement with the TSA for armed guard service at the checkpoint. He stated some things changed at the end of May and they dropped the armed guard at the checkpoint but they are in the process of returning the armed guard. He stated Attorney Stewart has been reviewing the proposed reimbursable agreement. He stated under this agreement we will retain the armed guard through American Security and Protection and the TSA will reimburse the Airport Authority. He stated the cost is about \$8,000-\$9,000 per month. He stated this is the same arrangement we had under the previous memorandum of understanding.

Mr. Dobberstein stated the board is intent on having another airline appreciation event and it was suggested that we hold it in conjunction with the grand opening of the restaurant after the remodeling project. He stated the restaurant project is not yet complete so it is not in an acceptable condition for such an event. He stated he has mentioned it to representatives of both Northwest and United and either September or October were acceptable to them.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated that Alien Technology Corp. is looking at constructing a building in the NDSU Tech Park. He stated they have hired Ulteig Engineers as their civil, electrical and structural engineering consultants. He stated the architect is RL Engebretson and they have had some meetings. He stated they are putting their schedule together based on the FAA permit for airspace. He stated they seem up to speed as he warned them on noise, vibration and airport issues.

Mr. Anderson asked Mr. Synhorst if he could provide the Airport Authority with documentation on the information that has been provided Alien on the airport issues.

Mr. Synhorst indicated he would provide that.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 26, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:30 a.m.

Regular Meeting

Tuesday

August 26, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, August 26, 2003 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 12, 2003:

Mr. Anderson moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 12, 2003.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$28,375.15:

Gen. Macdonald moved to approve the airport vouchers totaling \$28,375.15.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$878.27 to Ulteig Engineers, Inc. for payment request for engineering services in connection with PFC Application #6.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Mr. Kilander moved to approve the individual voucher in the amount of \$17,576.86 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.

Mr. Kilander moved to approve the individual voucher in the amount of \$16,690.45 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 improvement projects.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Johnson Controls:

Mr. Kilander moved to approve the individual voucher in the amount of \$4,170.00 to Johnson Controls for payment request (final) for security system upgrade, Project AIP27.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Modern Electric:

Mr. Kilander moved to approve the individual voucher in the amount of \$3,546.00 to Modern Electric for Payment Request #2 for electrical construction of Eastside Terminal Modification Project – Area 1.

Second by Mr. Pawluk.

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

Approved Change Order #1 to Northern Improvement Company for 2003 Airport Improvement Projects, AIP 28, in the Amount of \$20,900.31:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Change Order #1 to the 2003 Airport Improvement Projects, AIP 28, consists of five items. The portion of these changes that will not be covered by AIP funds total \$12,281, and the portion for which we will received 90% AIP funding is \$8,618.

Approved Change Order #1 to Northern Improvement Company for 2003 Airport Improvement Projects, AIP 28, in the Amount of \$20,900.31: (Continued)

Mr. Synhorst stated the items that are not covered under AIP funds include the two underground fuel tanks that were discovered after excavation and after talking with Mr. Dobberstein his instructions were to remove the tanks and clean up the area. He stated there was a minor amount of contamination. He stated they also discovered an electrical vault which was removed.

Mr. Synhorst stated the items that are eligible include lowering some communication cable which we knew was there but had to be lowered in order to pour the new pavement. He stated they also found some inlets that had been buried for years. He stated the instructions to the contractor were to use the access gate near the lift station off 19th Avenue North, but there was no gate so a new gate was installed. He stated the cost of the gate was \$2,000. Mr. Synhorst stated that was his mistake.

Mr. Synhorst stated the portion of the change order which is at no cost is the request for a time extension to October 25 rather than October 1. He stated this is due to the fact that the project did not get started until after the Airsho on July 4th. He stated they are moving along very well on the project and have completed paving of G-3 and half of G-2. He stated by the end of the week almost all of the concrete in the first phase will be complete.

Mr. Anderson moved to approve Changer Order #1 to Northern Improvement Company in the amount of \$20,900.31, 2003 Airport Improvement Projects, AIP28.

Second by Mr. Kilander.

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

Received Notice from Don Bye Regarding Eastside Terminal Office Space:

Mr. Dobberstein stated we received a letter dated August 12, 2003, from Mr. Don Bye, Don Bye Associates, advising that he will be vacating his office in the Eastside Terminal. He stated this is part of the procedure to have the information on record.

Mr. Dobberstein stated the space will become available. He stated it is a small office, just a few hundred square feet. He stated Ulteig Engineers has expressed some interest in an office on the airport during the runway project next year. He added that he is continually in contact with Mr. Tony Grindberg regarding the need for any incubator office space for the Tech Park.

The communication from Don Bye Associates was received without objection.

Received Information from the North Dakota Tourism Alliance:

Mr. Dobberstein stated last week he had a visit from Mr. Cole Carley, F-M Convention and Visitors Bureau, along with a representative of the North Dakota Tourism Alliance. He stated they will be meeting with the four large airports in the state and will be asking them to be members in the Tourism Alliance at a cost of \$1,000. He stated the membership buys a seat on the board.

Mr. Pawluk asked how the \$1,000 will promote tourism.

Received Information from the North Dakota Tourism Alliance: (Continued)

Mr. Dobberstein stated Mr. Carley could give a better explanation, but the group will decide on the promotions for tourism in the state. He stated right now there is a huge effort with the Lewis & Clark Expedition.

Mr. Pawluk stated he is in favor of joining together to promote tourism, but are we just creating another organization?

Mr. Dobberstein stated we could put this matter on hold.

Mr. Pawluk stated maybe we should just do it and help them get going. He stated tourism is important to the airport.

Mr. Pawluk moved the Airport Authority participate in the North Dakota Tourism Alliance and authorize the expenditure of \$1,000.

Second by Mr. Kilander.

Gen. Macdonald stated he is against it for the simple fact that in the information we received there are no airports listed in the list of prospects and it would appear to him that they should be approaching the North Dakota Aeronautics Commission rather than individual airports.

Mr. Pawluk stated he sees this as a continuation of our airport marketing plan, although this program is general and not specific to Hector International Airport. He stated North Dakota really does lag in tourism promotion and somehow we have to push this forward.

Mr. Anderson asked Mr. Dobberstein if he sees any positives for us.

Mr. Dobberstein stated there are certainly many attractions in Fargo-Moorhead. He stated it is certainly an attempt to create an interest outside of North Dakota to have people come and visit.

Mr. Anderson stated he thinks Mr. Dobberstein is probably busy enough without having to sit on that board.

Mr. Dobberstein stated they were probably looking for one of the Airport Authority members.

Chairman Clark suggested Mr. Pawluk represent the airport on the Tourism Alliance and then he could promote the horse park as well.

Mr. Pawluk suggested we give the \$1,000 this year and see what happens after that.

Mr. Kilander stated he feels this is an opportunity to put forth a unified front from across the state of North Dakota and to him that can do nothing but help tourism in general for the state. He stated our whole business is based on people flying in and out and he feels this is well within our realm of marketing.

Chairman Clark called for a vote on the motion.

Kilander, Pawluk and Clark voted yes.

Macdonald and Anderson voted no.

The motion was declared carried.

Received Update on Airport Improvement Projects and Security:

Mr. Dobberstein stated Mr. Synhorst covered the update on the project in a previous item. He stated at the request of the FAA Airports District Office in Bismarck, Ulteig Engineers put together a summary of the Runway 17/35 Project. He stated copies are available to the board members. He stated he has also sent copies to our congressional delegation and also the ND Aeronautics Commission.

Mr. Dobberstein stated this report is the device which will help with the justification of discretionary funding at the congressional level, and also will help the FAA/ADO when it goes to the FAA Great Lakes Region to strong-arm this project over others in the region. He stated this report justifies why the runway needs to be replaced.

Mr. Dobberstein stated with regard to other project, the Eastside Terminal project is about 98% complete, with the exception of a few punch list items. He stated with the restaurant project, the deli area tables have been installed. He stated there are a few punch list items on the furniture. He stated there is still some work being done on the wall as well as the gate between the deli and restaurant area. He stated we are also still waiting for the flooring contractor to come out and put the final finish on the vinyl flooring.

Mr. Dobberstein stated there are some unresolved issues with the carpet. He stated he will advise Shelly Richard of our dissatisfaction with the carpet. He stated Mr. Pete Haug had been instructed to have a professional carpet cleaner come in and clean the carpet. He stated there are some stains that have not come out and it has not yet been determined if the spots are glue or syrup.

Mr. Pawluk stated he can see it being syrup in a few areas, but the spots he saw were over the whole carpeted area. He stated he cannot believe that the spillage on this carpet is any greater than it was on the old carpet.

Mr. Dobberstein stated he does not know if it is a matter of the quality of the carpet or the color of the carpet.

Mr. Anderson stated if it is a question of the quality of the carpet the contractor is not going to be responsible as he was instructed what to buy. He stated so we would then be talking about Foss and they aren't going to be buying us new carpet, unless there is some kind of insurance in the project to cover that.

Mr. Pawluk stated maybe there is some type of stain resistance material that could be applied to the carpet, or maybe there is something wrong with the carpet.

Mr. Anderson stated it doesn't hurt to ask the question.

Mr. Pawluk stated the floor area where it transitions from the terrazzo to the new vinyl.

Mr. Dobberstein stated a finishing strip is going to be applied.

Mr. Dobberstein stated there has not been a final inspection of the project.

Mr. Dobberstein stated Darren Anderson has just received some reproductions of old airport photos which will be placed in the open boxes along the wall in the restaurant. He stated the clock has also arrived and will be installed shortly. He stated he is also not satisfied with the wallpaper in the bar area.

Mr. Pawluk stated he has also noticed the wall covering in the area of the second floor men's restroom looks bad. He added that is not related to any of the projects.

Received Update on Airport Improvement Projects and Security: (Continued)

Mr. Pawluk stated the airport really looks nice at it is such a pleasure to drop off and pick up passengers from this nice facility.

Mr. Dobberstein stated a couple of the board members have asked that Mr. Darren Anderson provide a security update at each meeting.

Mr. Darren Anderson stated we provided the board members with some information about the "opt out" program. He stated this is strictly "FYI" at this point, but there was a provision in the federal register at the time the Transportation Security Act was signed, that after a two year period an airport can take over the screening function now provided by the TSA. He stated that would mean a private security company could come in and provide the screening, although there would still be the federal oversight. He stated there are five airports in the country that have been privatized, some of which are San Francisco, Jackson Hole, Tupelo. He stated the program has been going very well.

Mr. Anderson stated at this point he can't see it being an issue, but with the issues of funding and the airlines it may become an issue at some point. He stated privatization would reduce costs. He stated the federal register requires that employees of a private firm would have to be paid at the same rate as the federal employees. He stated it is probably the consolidation of management that would provide the costs savings, but we do not have all of the details on that.

Gen. Macdonald asked if that includes the baggage screening people as well as the passenger screening.

Mr. Darren Anderson stated some information he received indicates the passenger screeners and the baggage screeners are separate, but other information includes both. He stated he is going to talk with people at the Jackson Hole airport for further information.

Mr. Darren Anderson stated it would be an arrangement similar to what we have done with the armed guards at the checkpoint. We hire and pay a private firm to provide the service and are then reimbursed by the TSA.

Gen. Macdonald asked if that would put us under some legal jeopardy.

Attorney Stewart indicated it might.

Mr. Kilander stated in his experience in flying around the country, right now there is no standard, even with the TSA doing everything. He stated the security is different from airport to airport.

Mr. Pawluk stated it would be his concern that if we did opt out and hire a private security firm that the TSA would be standing over them and would just make life so miserable for compliance.

Mr. Darren Anderson stated it would be similar to the arrangement before 9/11 where it was private agencies with government oversight.

Mr. Pawluk stated if there is a reason to consider it we will have to look at it. He stated at this point it does not seem there is a reason to do anything.

Mr. Dobberstein stated several articles have been circulating among employees around the terminal. He stated the opt out program was not that well known locally by a lot of TSA employees so there was a bit of an uproar. He stated it is pretty well known that the federal government cannot continue to fund what they have created.

Gen. Macdonald stated he feels Darren has the right approach to contact some of the other airports that have privatized and find out what is going on.

Received Update on Airport Improvement Projects and Security: (Continued)

Mr. Bob Anderson stated as he understands it, even if we privatize the TSA will reimburse us, but he asked Mr. Dobberstein if he is saying that money might not be there.

Mr. Dobberstein stated he thinks what they are looking at with the private firms is probably using less people and probably more part time employees.

Mr. Pawluk stated there does not seem to be any financial incentive to the airport to make a change, so this might be something to contemplate if the airlines come and say they need to see these costs reduced and when that happens we will take a hard look at it.

Other Business:

Mr. Dobberstein stated we have had a lot of interest in the loaders we are selling and the bid opening for those is next week.

Mr. Pawluk stated when we purchase equipment we should have as a condition of the bid the requirement that the dealer take the old equipment in on trade.

Mr. Bob Anderson stated we had that option and were advised that we would get a better price selling it ourselves.

Mr. Dobberstein stated the farm bids are Thursday, August 28 at 10:00 a.m. He stated he has not received any calls on the farm bids.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 9, 2003 at 8:00 a.m.

Time at adjournment was 8:39 a.m.

Regular Meeting

Tuesday

September 9, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 9, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 26, 2003:

Mr. Pawluk moved to approve the minutes of the regular meeting of the Municipal Airport Authority held August 26, 2003.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$19,132.00:

Mr. Pawluk moved to approve the airport vouchers totaling \$19,132.00.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Approved the Individual Voucher to MinKo Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,705.00 to MinKo Construction for Payment Request #7 for general construction of the restaurant remodeling project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$613.76 to Modern Electric for payment request for electrical work in connection with the Security System Update, Project AIP27.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, 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 \$6,775.58 to Flint Communications for Payment Request for 2003 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, 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 \$30,447.66 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvement Projects, AIP28.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, 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 \$18,454.31 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 Clark voted aye.

Absent and not voting: Kilander, 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 \$535.20 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the PFC Application #6.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$590,158.93 to Northern Improvement Company for Payment Request #3 for general construction of 2003 Airport Improvement Projects, AIP28.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Anderson

The motion was declared carried.

Received Farm Land Bids and Approved Award:

Mr. Dobberstein stated we received bids on August 28, 2003 for the farm land we advertised for lease. He stated there was a total of 740.9 tillable acres listed. He stated we received bids from seven parties and there were three successful bidders. He stated Mr. Bill Borgen was high bidder on two tracts, Mr. David Heck high bidder on two tracts, and Mr. John M. Jones high bidder on one tract. He stated the value of the initial bids was \$44,524.50, but the bidders had an opportunity to orally increase their bids, which resulted in an additional \$6,600. He stated there is additional farm land that we lease to the Fargodome, NDSU, and the Fargo Park District. He stated the price per acre for these tracts is based on an average of the other tracts so this will increase from \$63.39 to \$69.06.

Mr. Dobberstein stated he recommends awarding the leases to Mr. Borgen, Mr. Heck and Mr. Jones, and also extending the leases with NDSU, Fargodome and Fargo Park District, for the 2004, 2005 and 2006 crop years.

Gen. Macdonald moved to approve the farm land leases to the three successful bidders (Borgen, Heck, Jones) and that the leases with NDSU, Fargodome, and Park District be at the average price per acre of \$69.06.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Anderson

Mr. Kilander now present.

Received Change Order G1 Request from Smithco for Eastside Terminal Modification Project, Add \$290.00:

Mr. Dobberstein stated this change order request from Smithco for the Eastside Terminal Modification Project in the amount of \$290.00 is for modifications to the ceiling to accommodate duct work. He stated work on this change order has been completed.

Mr. Pawluk moved to approve Change Order G1 in the amount of \$290.00 to Smithco for the Eastside Terminal Modification Project.

Second by Gen. Macdonald.

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

Received Change Order M3 Request from Sherman Inc. for Restaurant Project, Add \$1,650.00:

Mr. Dobberstein stated Change Order M3 for Sherman Inc. in the amount of \$1,650.00 was to relocate a heat pump in the restaurant area in order to access the pump for service.

Gen. Macdonald moved to approve Change Order M3 in the amount of \$1,650.00 to Sherman Inc. for the restaurant remodeling project.

Second by Mr. Kilander.

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

Received Change Order G5 Request from MinKo Construction for Restaurant Remodeling Project, Deducting \$3,000.00:

Mr. Dobberstein stated Change Order G5 to the restaurant remodeling project is a deduct of \$3,000 as a result of a change in signage.

Mr. Pawluk moved to approve Change Order G5 with a deduct of \$3,000 to MinKo Construction for the restaurant remodeling project.

Second by Mr. Kilander.

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

Received Change Order E6 Request from Ron's Electric for Restaurant Project, Add \$352.00:

Mr. Dobberstein stated Change Order E6 in the amount of \$352.00 to Ron's Electric for the restaurant project was for the electrical work in connection with the relocation of the heat pump.

Mr. Pawluk moved to approve Change Order E6 in the amount of \$352.00 to Ron's Electric for the restaurant remodeling project.

Second by Mr. Kilander.

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

Received Front End Loader Purchase Offers/Bids and Approve Awards:

Mr. Dobberstein stated we received bids for the purchase of the two front end loaders we replaced this year. He stated high bidder on the John Deere was Rydell Farms for \$47,800, and high bidder on the Caterpillar was Butler Machinery for \$80,500.

Mr. Dobberstein stated he did review these bids with the City of Fargo's superintendent at Central Garage, Bill Rohrich, and he felt the bids were good.

Mr. Dobberstein stated he would recommend awarding these bids and directing Attorney Stewart to draft a bill of sale for each item.

Mr. Pawluk moved to authorize the sale of the John Deere 644 and the Caterpillar 966 to the respective high bidders.

Second by Mr. Kilander

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

Received Update on Restaurant Project:

Mr. Dobberstein stated we are still waiting for some final painting to be done and also for the gate between the deli and the restaurant area to be installed. He stated all of the tables and chairs have arrived and Shelly Richard from Foss Associates will update us on that. He stated the board also had some questions on the carpet which Shelly will address. Mr. Dobberstein stated the carpet was professionally cleaned and the stains appeared to be food stains rather than glue, but the cleaning took care of the spots.

Ms. Shelly Richard, Foss Associates, was recognized and stated there was some question to the quality and longevity/durability of the carpet. She stated she provided Mr. Dobberstein with information on the carpet showing that it was a carpet approved for restaurant use. She stated it is considered a durability rating of Grade C, which is for high traffic areas. She stated the information also gave details on cleaning and the cleaning processes to be used.

Ms. Richard stated all of the furniture has been installed, however, the seating in the dining area did have some damage upon delivery and those items will be replaced. She stated the deli table bases also arrived but unfortunately did not meet our standard criteria either so those will also be replaced.

Mr. Pawluk asked about the transition area between the terrazzo flooring and the vinyl floorings.

Ms. Richard stated a transition strip will be installed in that area. She stated the alcove area at the entrance with the etched glass will be painted a dark color rather than the white. She stated there is also some other signage yet to be completed.

Received Request from Pete Haug, Barnstormer, for One Year Extension to Eastside Terminal Office Lease:

Mr. Dobberstein stated Mr. Pete Haug leases a small office on the first floor of the Eastside Terminal and he is asking for a one year extension.

Mr. Kilander moved to approve the extension of lease for a one year term for the office in the Eastside Terminal to Mr. Pete Haug.

Second by Gen. Macdonald.

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

Approved Contract with Ulteig Engineers for Runway 17/35 Reconstruction Project and Associates Airfield Improvements:

Mr. Dobberstein stated we received a proposed contract from Ulteig Engineers and after our review and an independent review by City Engineer Mark Bittner it is now before the board for approval. He stated the only thing in the contract that was a little difficult to estimate was the amount of night work that would be required. He stated the independent review showed the fees proposed by Ulteig to be in line. Mr. Dobberstein asked Mr. Synhorst to outline the details of the contract.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we have already had a preliminary engineering contract in effect for the preliminary work for the Runway 17/35 Reconstruction Project. He stated this contract is for the design, construction administration and construction observation of this project. He stated he has provided a breakdown of costs. He stated approximately \$509,000 is for the design, construction administration and construction observation is \$1.25 million. He stated he wants everyone to understand that it is going to be very intense on the project site and it is not just going to be one person from Ulteig running around trying to keep track of what is going on. He stated also within the construction administration and construction observation they hire all of the sub-consultants and do all of the construction materials testing.

Mr. Synhorst stated if this project does not go through the contract will be void up to what we have spent, but he does not see how the project will not go through. He provided the board members with a Project Schedule, which has also been provided to Mr. Tom Schauer in the FAA Airports District Office in Bismarck. He stated the date for bid opening has been set for March 4, 2004 and if you want to compare that date with lettings for highway projects, the only big DOT letting in Fargo next year is Main Avenue. He stated they will not be finishing I-29 next year. He added that the Main Avenue bid letting is in December.

Mr. Synhorst stated there are some very large paving contractors in the Wisconsin and Minneapolis area that already know about this project and the Main Avenue project. He stated one contractor has indicated they would not mind doing both projects. He stated we also have Northern Improvement in town who is very capable of doing this project and he can't believe they would want to let a big one like this get away.

Approved Contract with Ulteig Engineers for Runway 17/35 Reconstruction Project and Associates Airfield Improvements: (Continued)

Mr. Dobberstein stated he and Mr. Synhorst have discussed the provision in the contract allowing for a bonus for the contractor based on the concrete quality and that bonus is 90% federally funded. He stated the contract does not provide for a bonus for early completion but he feels we should look at that. He stated that type of bonus is not eligible for federal funding but he feels we should consider it. He stated there would, of course, be a penalty for late completion but no bonus for early completion.

Gen. Macdonald stated he sees no advantage to the airport to offer such a bonus. He stated he does see an advantage to a penalty for a late finish but not a bonus for an early completion.

Mr. Dobberstein stated this project will cause the ILS to be out of service for a long time, probably May 1, 2004 until January 2005.

Gen. Macdonald asked why it would be out that long if the project is completed in the fall.

Mr. Dobberstein stated the FAA Airport/Facilities Directory (AFD) is published every 90 days so if the project is not completed in October it is possible that we will not make the cutoff date in time to publish information for the next 90 day period. He stated if the project is finished early we may make the cutoff date and information on the completion of the runway project would be available for that quarter.

Mr. Darren Anderson stated it is also the FAA Instrument Flight Rule Charts published for pilots that must contain the current information as well.

Mr. Dobberstein stated the FAA will not let a commercial pilot fly into an airport unless the chart is accurate and they publish them only so often.

Mr. Dobberstein stated we can expect some foggy mornings where flights will be cancelled and passengers will be bussed to Minneapolis. He stated this is where the incentive bonus would make sense. He stated we would not want interruptions in our holiday travel flights.

Mr. Synhorst stated the sooner we get the ILS back up the better and that may be the case for an incentive.

Gen. Macdonald stated he would like a letter from the FAA stating specific dates and deadlines that need to be met for publication of all of the charts and directories.

Mr. Dobberstein stated he will continue to work with the FAA on those dates and deadlines.

Mr. Kilander moved to approve the contract with Ulteig Engineers, Inc. for the Runway 17/35 Reconstruction Project and Associates Airfield Improvements.

Second by Mr. Pawluk.

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 Update on Airport Improvement Projects and Security:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the project is going well and we hope to open Runway 13/31 and the taxiways in the next two weeks or so.

Received Update on Airport Improvement Projects and Security: (Continued)

Mr. Darren Anderson stated we had our monthly TSA meeting last week. He stated they are still trying to come up with shoe box type of metal detector for passengers to place their foot in and then if it detects metal and beeps the passenger would have to remove their shoes. He stated the TSA indicated they are happy with their queue time which is 18 passengers in nine minutes. He stated as of September 4 we have a new schedule so we don't have two flights leaving within five minutes of each other so that has improved.

Mr. Anderson stated with regard to the "opt out" program, he did contact an airport representative in Jackson Hole, WY, and had a lengthy conversation regarding airport security. He stated they have private security at their checkpoint and the airport is in charge of their checkpoint, which is how they have always done it. He stated when the TSA took over checkpoints last year Jackson Hole was one of five airports in the country that was able to utilize what they had existing. He stated Jackson Hole is similar in size to Fargo and they have a \$3 million budget, which is the amount the TSA reimburses them. He stated the airport does the hiring and the TSA provides the training. He stated there is an Assistant Federal Security Director in Jackson Hole, otherwise there are no other TSA representatives there. He stated their philosophy of privatization is that the airport controls everything. He stated this is how they have always done it so they are used to it. He stated she was going to send some information on liability insurance.

Mr. Pawluk stated he is trying to understand why we would want to do that.

Gen. Macdonald stated he has a little trouble with that as well. He does not understand why we would want to get into that.

Mr. Anderson stated her biggest point was that the airport has the control. He stated they talk directly with Washington and have no problems with control and going through a middle man. He indicated he was going to contact some other airports as well.

Mr. Dobberstein stated last week we received a new reimbursable agreement from the TSA for the armed guard at the checkpoint. He stated Attorney Stewart is currently reviewing the agreement and the guard should be in place by October 1.

Authorized Attendance at the AAE Airport Conference, November 13-14, 2003, Chicago, IL:

Gen. Macdonald moved to authorize attendance at the AAE Airport Conference, November 13-14, 2003, Chicago, IL.

Second by Mr. Kilander.

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

Other Business:

Mr. Dobberstein stated Northwest Airlines has been working on some changes on their self service check-in devices. He stated they are looking at eliminating the existing devices and putting three new kiosks right at the counters as they do in Minneapolis. He stated they will be paying all costs for this change and hiring the contractors. He stated they hope to have these in place and operational by the first week in October.

Other Business: (Continued)

Mr. Dobberstein stated he received a request from Mr. Gordon Tolbert, TransGlobal Vacations, asking if the Airport Authority would have an extra \$5,000 available to give toward their winter marketing activities. He stated they plan to have an event probably the first week of January and the Las Vegas Convention and Visitors Authority would probably participate as well. He stated he will try to get some more information as he is not sure we would want to participate on that level. He stated he will check with Sioux Falls and see to what extent they participated. He stated charter flights do generate a significant amount of business for us.

Mr. Dobberstein stated we received a special assessment notice from the City of Fargo for \$16,407.30 in conjunction with the paving of North University Drive north of County 20 from 40th Avenue to 46th Avenue. He stated this is an arterial street so the policy is to special asses equally on either side of the road. He stated we have a small tract of land which we cannot even access it from University unless we cross Arnold Larson's land. He stated the assessment is over a 25 year period at 6.54% interest, unless the board chooses to pay it off.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 23, 2003 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:48 a.m.

(Meeting was not held September 23, 2003, next regular meeting was scheduled for Tuesday, October 14, 2003.)

Regular Meeting

Tuesday

October 14, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, ND was held Tuesday, October 14, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Anderson, Kilander
Absent: Pawluk, Clark
Others: Stewart

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 9, 2003:

Mr. Anderson moved to approve the minutes of the regular meeting of the Municipal Airport Authority held September 9, 2003.

Second by Gen. Macdonald.

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

Approved the Airport Vouchers Totaling \$51,984.85:

Mr. Anderson moved to approve the airport vouchers totaling \$51,984.85.

Second by Gen. Macdonald.

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

Absent and not voting: Pawluk, 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 \$453.70 to Foss Associates for payment request for architectural services in connection with the Eastside Terminal Modification Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,053.46 to Northern Improvement Company for payment request for a portion of 2003 Airport Improvement Project (AIP28) not eligible for federal funds.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Robert Gibb & Sons:

Gen. Macdonald moved to approve the individual voucher in the amount of \$682.62 to Robert Gibb & Sons for payment request for cleaning cooling coils in the restaurant heat pumps as a result of the restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Building Systems Corp.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,250.00 to Building Systems Corp. for payment request for removal of tile for the Eastside Terminal Modification Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, 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 \$27,082.38 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvement Projects, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, 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 \$19,351.47 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Roadway Services:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,200.00 for airfield joint sealing.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, 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 \$4,942.08 to Flint Communications for payment request for 2003 airport marketing program.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Tim Fischer:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,908.00 to Tim Fischer for shelterbelt tree moving and watering.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, 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 \$450.60 to Foss Associates for payment request for architectural services in connection with the restaurant furnishings portion of the restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$373,997.18 to Northern Improvement Company for partial payment request for general construction of 2003 Airport Improvement Project, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved the Individual Voucher to Strata Corporation/Nodak:

Gen. Macdonald moved to approve the individual voucher in the amount of \$106,239.50 to Strata Corporation/Nodak, for Partial payment Request #1 for electrical construction of 2003 Airport Improvement Projects, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk, Clark

The motion was declared carried.

Approved Change Order E-7 to Ron's Electric in the Amount of \$282.00 for Restaurant Remodeling Project:

Mr. Dobberstein stated that Change Order E-7 to Ron's Electric in the amount of \$282.00 is for a change in a lighting fixture for the restaurant remodeling project.

Mr. Anderson moved to approve Change Order E-7 to Ron's Electric in the amount of \$282.00.

Second by Gen. Macdonald.

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

Approved Change Order G-6 to MinKo Construction Resulting in a Deduct of \$341.31 for the Restaurant Remodeling Project:

Mr. Dobberstein stated Change Order G-6 to MinKo Construction for a deduct of \$341.31 to the Restaurant Remodeling Project is for MinKo's 50% portion of the costs to clean the cooling coils in the restaurant heat pumps as a result of the restaurant remodeling project.

Mr. Anderson moved to approve Change Order G-6 to MinKo Construction.

Second by Gen. Macdonald.

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

Received Communication from the TSA Regarding Storage Building:

Mr. Dobberstein stated we received a communication from the TSA dated September 17, 2003, requesting permission to place a small storage shed (10' x 12') near the Hangar #3 administration building which they are currently leasing from Fargo Jet Center. He stated they would not need a permit for this structure.

Mr. Dobberstein stated we do not have precedence for small storage sheds on airport property so he is not sure now the board feels. The structure will be located outside of the fence on the parking lot side.

Mr. John Sanderson, TSA, was recognized and stated their administrative staff is located in the Hangar #3 administration building and they are slowly adding administrative staff to bring them up to their authorized strength. He stated they will no longer be able to use any of the building for storage as they have run out of space. He stated they have to house the supplies for five airports and they are simply out of room. He stated there are also some materials left over from the checkpoint that are still in the tug concourse area in the terminal and they would like to get it out of there but they do not have any place to put it.

Mr. Sanderson stated the building is a metal, commercial grade building with a roll-up door. He stated the building will sit on treated 4x4's so it will not require any modification to the existing asphalt surface. He stated the location will not interfere with the servicing of the dumpster. He stated the building will be white in color and will match the administration building.

Mr. Anderson stated his only question would be the aesthetic affect. He asked if this is a temporary, short term solution.

Mr. Sanderson stated the storage building will be on that site as long as they are leasing the Hangar #3 administration building. He stated if it becomes necessary for them to relocate for whatever reason they will make arrangements to move the building.

Mr. Anderson asked Mr. Dobberstein if he had any issues with this request.

Mr. Dobberstein stated the board members will have to keep in mind any precedence this will set. He stated we will also need to amend the lease with Fargo Jet Center adding the footprint of the building plus five feet. Mr. Dobberstein stated Fargo Jet Center has the lease on the building only until April 2004, so depending upon the other interest in the building there could be someone else occupying the building by May 1, 2004.

Received Communication from the TSA Regarding Storage Building: (Continued)

Gen. Macdonald moved to approve the request from the TSA to place a 10'x12' storage building near the Hangar #3 administrative building as described, subject to modification of the lease with Fargo Jet Center.

Second by Mr. Anderson.

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

Received Update from Dakota Air Parts Regarding Hangar Purchase:

Mr. Dobberstein stated he received a communication dated October 3, 2003, from Barbara Hemelstrand (Dakota Air Parts International, AvSupport) requesting a 30 day extension to their original 90 day option on the purchase of Hangar #2, as they have had problems obtaining a property tax abatement.

Barbara Hemelstrand was recognized and stated between the time she wrote this letter and her conversation with Mayor Furness yesterday, she is changing her extension request from 30 days to 60 days. She stated they have received partial tax exemption for AvSupport, but their tax exemption request for Dakota Air Parts was denied as they are considered a retail establishment.

Ms. Hemelstrand stated they are in the process of submitting an application to the FAA for a UH-1H helicopter repair station, which will be strictly for their own helicopters. They will not be competing with the FBOs on the airport.

Gen. Macdonald moved to authorize the 60 day extension to the original 90 day option to purchase Hangar #2.

Second by Mr. Anderson.

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

Received Communication from ND Army National Guard:

Mr. Dobberstein stated the Airport Authority has been providing gratis office space in the Eastside Terminal for the ND Army National Guard Family Support Unit. He stated they have presented us with a plaque of appreciation.

Vice Chairman Kilander stated there are a lot of families putting themselves through a lot for us right now and we need to show them that they are appreciated.

Received Communication from Agri-Imagis Regarding Extension of Eastside Terminal Office Space:

Mr. Dobberstein stated Agri-Imagis has been leasing an office in the Eastside Terminal and the lease expires October 31, 2003. He we received a communication from them dated October 6, 2003 requesting the lease be extended for two years.

Mr. Dobberstein stated Agri-Imagis does not always pay their rent on time but they do pay the interest penalties we asses. He stated they tend to pay quarterly. He stated he would like to extend the lease for one year and then evaluate it again at that time and have any further extension at our discretion.

Received Communication from Agri-Imagis Regarding Extension of Eastside Terminal Office Space:
(Continued)

Mr. Anderson moved to approve the extension of the lease with Agri-Imagis for a one year period and that it be reviewed at that time and any extension be based on their payment history.

Second by Gen. Macdonald.

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

Received Third Quarter 2003 PFC Report:

Mr. Dobberstein distributed the PFC report for the third quarter 2003. He stated we have collected \$701,208.15 in PFC funds year to date. He stated this means we expect to complete collection on our current authorization in October 2003.

Mr. Dobberstein stated our PFC Application #6 has been approved by the FAA Airport District Office in Bismarck and has been forwarded on to the region for the next level. He stated we should hear whether or not it has been accepted on or before January 7, 2004.

The third quarter 2003 PFC report was received and filed without objection.

Received Update on South General Aviation Area Lighting:

Mr. Dobberstein stated a few meetings ago the Airport Authority received a letter from Fargo Aero Tech requesting that we consider installing additional lighting in the south general aviation area. He stated the board directed him to contact Ulteig Engineers to take a look at the project.

Mr. Dobberstein stated he received a communication from Mr. Joel Kath, Ulteig Engineers, and he is proposing to use poles and lights similar to that at the north general aviation area. These are 60' poles with twin 1000W HPS fixtures. He indicated it would take about nine photos from just north of the old terminal to the south and east toward the air museum. He also indicated this will cover the east general aviation apron.

Mr. Dobberstein stated the estimated cost for this project is \$107,500. He stated all of our funds have been committed for the next couple of years, unless we were to take funds out of reserves, but our reserves are also committed for our runway project.

Mr. Dobberstein stated there are a couple of options that we have. We could check with Mr. David Lundeen, Fargo Aero Tech, and see if he would be willing to put a couple of lights on his hangar as we did on Hangars #3 and #4. He stated that would provide some immediate lighting for their area.

Mr. Dobberstein stated another thought Mr. Kath had was to put a large 60' pole to the southeast of the Eid hangar or in that general area, which would provide some bidirectional lighting would could light the area to the east and also to the west/northwest. He stated that option would probably be in the \$12,000 range as that was the estimated cost per pole in Mr. Kath's proposal.

Mr. Dobberstein stated the FAA would require an airspace study on a 60' pole.

Gen. Macdonald stated he suggests that we talk with Fargo Aero Tech and see if they are willing to put those lights on their building.

Received Update on South General Aviation Area Lighting: (Continued)

Mr. Anderson asked if that would be at their expense or ours.

Mr. Dobberstein stated that would have to be determined.

Vice Chairman Kilander asked if the Airport Authority participated in the cost of the lights would the building owner be responsible for the monthly energy costs.

Mr. Dobberstein stated his suggestion is that if the light fixtures are on the Fargo Aero Tech building the power would be run through their meter as part of illumination provided to their customers in front of their building. Mr. Dobberstein stated adding lighting to the building is a short term fix, whereas Mr. Kath's proposal is an extensive lighting project. He stated there is a possibility that we can proceed with the plan to place the one pole to the southeast of the Eid hangar and see what that would do from an airspace perspective.

Gen. Macdonald stated he would recommend moving ahead with the short term fix and waiting with any extensive lighting improvements until it can be worked into a master plan.

The board directed Mr. Dobberstein to discuss the matter with Mr. David Lundeen, Fargo Aero Tech.

Received Update on Foreign Trade Zone Project:

Mr. Dobberstein stated he had provided the board members with copies of a manual on the preparation of a foreign trade zone feasibility study and development and preparation of an application to establish a foreign trade zone project prepared by the Foreign-Trade Zone Corporation.

Mr. Dobberstein stated it is the desire of Fargo Cass County Development, as well as his own desire, and hopefully with the concurrence of the Airport Authority, that we be the lead agency on the Foreign Trade Zone. He stated they have been working with Case New Holland and Bobcat to refine actual dollar cost benefits for them to be part of a FTZ. He stated Fargo-Cass County has approved funds to participate in the application process. He stated the Airport Authority also committed funds for 50% of the cost, up to \$30,000. Mr. Dobberstein stated the Foreign Trade Zone Corporation has proposed the preparation of FTZ Feasibility Analysis at a cost of \$15,000 (plus reimbursement of out-of-pocket expenses), and preparation, submission, and monitoring of a general purpose foreign-trade zone application at a cost of \$45,000, plus reimbursement of out-of-pocket expenses. Mr. Dobberstein stated he feels we can probably forego the feasibility for \$15,000 because we are committed to having the FTZ regardless.

Mr. Dobberstein stated he talked with Mr. Greg Jones of the Foreign-Trade Zone Corporation in Mobile, AL, as far as what is involved with the Airport Authority being the lead agency.

He stated the Foreign-Trade Zone Corporation would assist us in the completion of the application and help us manage the trade zone. He stated the companies that are part of the trade zone would pay an annual fee of probably \$1,500 to \$2,500, depending upon the number of companies that belong to the zone. He stated right now the companies that are interested include Case New Holland, Bobcat, Gremada Industries, and although right now Phoenix International is not affected by tariff laws it is supportive of the FTZ.

Received Update on Foreign Trade Zone Project: (Continued)

Mr. Anderson asked if we are talking about additional administration employees.

Mr. Dobberstein stated at this point he can handle it with the assistance of the Foreign Trade Zone Corporation, along with the help of Brian Walters and Eric Icard of FCCEDC. He stated as the number of companies taking part in the FTZ increase we will have to re-evaluate. He stated there will be monthly, quarterly and annual reports to the Commerce Department. He stated we not looking at making this a profit center for the airport but rather just breaking even to benefit local businesses.

Mr. Anderson stated this is just another step in economic development.

Mr. Dobberstein stated it is now a matter of putting together a letter for Mr. Greg Jones, Foreign Trade Zone Corporation, authorizing them to proceed with the application process.

Received Update on Airport Improvement Projects and Security:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Runway 13/31 will be opened later this morning and then Northern Improvement will be tearing out part of Taxiway B and that will be the end of the project in the southeast area for the year. He stated they are also working on the batch plant site.

Mr. Synhorst as far as next year's runway project, Mr. Dobberstein can update the board on funding issues, but Ulteig Engineers is continuing to move forward on the design of the project so that they are ready to move ahead in the spring.

Mr. Dobberstein stated the FAA reauthorization act is held up right now primarily because of one issue, the privatization of air traffic control towers. He stated he spoke with all of the members of our congressional delegation as well as some of their staff members over the past couple of weeks and some he has been talking with every other day. He stated Conrad and Dorgan's staff have indicated they are committed to passing the re-authorization prior to their recess, which is scheduled for October 31. Mr. Dobberstein stated there does seem to be some consensus among AAAE members for Congress to move the bill back into conference and get the air traffic control issue out of there. He stated all of that will not slow down our process for Ulteig to have a package ready to advertise and open bids next spring. If we are not ready we could miss the whole cycle.

Gen. Macdonald stated we could always bid it subject to availability of funding.

Mr. Synhorst stated we will know the funding situation before we advertise for bids.

Mr. Darren Anderson indicated there were no new issues to discuss with regard to airport security.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 28, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:33 a.m.

Regular Meeting

Tuesday

October 28, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 28, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Anderson, Pawluk, Kilander
Absent: Clark
Others: Stewart

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 14, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, October 14, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$30,301.94:

Mr. Anderson moved to approve the airport vouchers totaling \$30,301.04.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Smithco:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,186.00 to Smithco for payment request #3 (Final) for general construction of the Eastside Terminal Modification Project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Manning Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,971.00 to Manning Mechanical for Payment Request #4 (Final) for mechanical construction of Eastside Terminal Modification Project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$455.00 to Hanson 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, Anderson, Pawluk and Kilander voted aye.

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Brown & Saenger:

Gen. Macdonald moved to approve the individual voucher in the amount of \$59,571.91 to Brown & Saenger for payment request #1 for the furnishings portion of the restaurant remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Anderson, Pawluk and Kilander 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 \$19,250.34 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Anderson, Pawluk and Kilander 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 \$18,851.44 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Study, Project AIP28.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Anderson, Pawluk and Kilander 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 \$927.32 to Ulteig Engineers, Inc. for payment request (Final) for engineering services in connection with the PFC #6 Application Study, APRC06.

Second by Mr. Pawluk.

On the call of the roll, members Macdonald, Anderson, Pawluk and Kilander 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 \$22,132.12 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 2003 Airport Improvements, Project AIP28.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved Change Order G-7 to MinKo Construction in the Amount of \$378.00 for Restaurant Remodeling Project:

Mr. Dobberstein stated Change Order G-7 to MinKo Construction in the amount of \$378.00 is for additional deli cabinet locks that were installed but not included in previous Change Order G-4.

Mr. Anderson moved to approve Change Order G-7 to MinKo Construction in the amount of \$378.00 for the restaurant remodeling project.

Second by Mr. Pawluk.

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

Approved Change Order E-8 to Ron's Electric in the Amount of \$456.98 for Restaurant Remodeling Project:

Mr. Dobberstein stated Change Order E-8 to Ron's Electric in the amount of \$456.98 is for an additional voice line for phone in kitchen and two additional data lines for the cash register system.

Mr. Pawluk moved to approve Change Order E-8 to Ron's Electric in the amount of \$456.98 for the restaurant remodeling project.

Second by Mr. Anderson.

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

Discussed November 19th Barnstormer Open House/Airline Appreciation Reception:

Mr. Pete Haug, Barnstormer, was recognized and stated he and Mr. Dobberstein have been discussing the matter of an open house after the completion of the restaurant remodeling project. He stated the Chamber Ambassadors will be here Wednesday, November 19 at 4:30 p.m for a ribbon cutting. He stated we are planning to have a reception from 4 pm to 6 pm. He stated if it was just a typical ribbon cutting with the Chamber ambassadors, a few chamber executives, the mayor, etc., it is typically about 35 people. He stated we have talked about expanding that and sending invitations to everyone on the Chamber mailing list.

Mr. Dobberstein stated this event will be held in conjunction with our airline appreciation reception. He stated we have advised the two airlines and they will each send a representative.

Mr. Haug asked how elaborate the board would like to go with the event.

Mr. Dobberstein stated it should just be light hors d'oeuvres.

Mr. Haug stated he would provide the food at cost and they could also offer an open bar. He asked the board to come up with some type of budget for the event.

Mr. Dobberstein stated we will request RSVPs so we have an idea who will attend.

Mr. Anderson moved to authorize a budget not to exceed \$2,000 for the reception/open house on November 19.

Second by Mr. Pawluk.

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

Airport Construction Project and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they will be finishing up the last of the concrete paving this week. Runway 13/31 and the two new taxiways G-1 and G-2 are open. The staging area is gone and they are finishing up the seeding. He stated they hope to have the project wrapped up in the next two weeks.

Mr. Synhorst stated they are moving ahead with the Runway 17/35 project. He stated they have a meeting scheduled with the FAA Regional Office in Chicago on November 12 to coincide with a AAAE conference he and Darren Anderson will be attending.

Mr. Pawluk stated he would like to see a sign posted at the staging area stating what the area is, as there has been a lot of interest shown.

Vice Chairman advised the staff to go ahead with a sign.

Airport Construction Project and Security Update: (Continued)

Mr. Dobberstein stated he received a letter dated October 24, 2003 from Shelly Richard, Foss Associates, regarding signage for the restaurant project. He stated there was a deduct from the MinKo contract for the signage allowance. He stated Ms. Richard got a quote from Cook Sign Co. for \$3,200 for a sign above the entrance. He asked Mr. Pawluk if this is something he and Dr. Clark had discussed.

Mr. Pawluk stated he does not recall anything about that signage.

Mr. Dobberstein stated he is wondering if this signage is necessary as there is the etched glass "Barnstormer" sign to the left of the entrance.

Mr. Pawluk stated he thinks we can accomplish the same thing without spending \$3,200. He asked if this is an illuminated sign.

Mr. Pete Haug stated this is actually just lettering attached to the wall area above the entrance. He indicated he did not have any strong feelings one way or another. He stated people in the terminal are going to find the restaurant even without this signage.

Mr. Dobberstein stated once the background for the glass sign at the entrance has been painted that should be adequate.

Vice Chairman Kilander stated hearing no motion no action will be taken.

Set Special Meeting Regarding Possible Executive Session on Security Plan Issues:

Mr. Dobberstein stated our next regularly scheduled meeting is Tuesday, November 11 at 8:00 a.m. He stated all board members need to be present so we need to confirm that date will work for everyone.

Attorney Stewart stated following the regular meeting we will have a closed executive session to discuss security issues.

Mr. Pawluk asked if our having this discussion now satisfies the Attorney General.

Attorney Stewart stated no, it does not.

Vice Chairman Kilander stated it is his understanding that we need to set an agenda item for the meeting on November 11.

Attorney Stewart stated we will announce it in open session and then go into closed session for security reasons.

Vice Chairman Kilander stated it is his understanding that Mr. Pawluk's off hand comment at the meeting on June 17, that Chairman Clark and Gen. Macdonald view a security presentation by the TSA, a comment that was never acted on as a motion or acted on as official business by the authority, was construed to be the selection of a committee and that committee needed to be open. He stated to construe Mr. Pawluk's comment as appointing a committee was about as bogus as bogus can be, but that is how it was construed and that is why we have to go back and do this dance.

Set Special Meeting Regarding Possible Executive Session on Security Plan Issues: (Continued)

Mr. Dobberstein stated no one from the Airport Authority kept the media out of that room. He stated that was not our call.

Vice Chairman Kilander stated we have met the requirements stipulated by the Attorney General for the November 11 meeting.

Mr. Pawluk stated we would probably satisfy that if we invite the media to a presentation of the laptop computer display.

Vice Chairman Kilander stated that is correct but in the discussions with Mr. Drew Wrigley and the gentleman from the TSA, they have declined to share that information.

Other Business:

Mr. Pawluk stated that some time ago this board acted on what he will call the Hector Heritage Display, but we have never really done anything with it. He stated we have had some preliminary discussions and there are a lot of things that could be lost if we do not make something happen.

Mr. Bob Anderson stated we discussed incorporating a display in the restaurant remodeling project.

Mr. Dobberstein stated we proposed that to Earlyne Hector and she declined. He stated the last conversation he had with Mrs. Hector she indicated she was going to concentrate on a display case in the Fargo Air Museum.

Mr. Pawluk stated we discussed having displays both in the terminal and at the air museum.

Mr. Dobberstein asked Gen. Macdonald if he was aware of anything being discussed with the museum.

Gen. Macdonald indicated he was not aware of anything.

Mr. Pawluk stated this airport has an important heritage and if someone doesn't do something it could be lost for ever. He asked Gen. Macdonald if the museum would be interested in pursuing this project if the Airport Authority could fund the project.

Gen. Macdonald stated one of the problems right now is that there is not an environmentally controlled area for artifacts. He stated that is why they are reluctant to take certain items for storage or display until they are sure they have the surroundings to insure that the items would remain in their current condition.

Mr. Pawluk stated they would probably be better off at the museum than in a box in someone's basement.

Gen. Macdonald stated he can understand that but once the museum would take possession of them it would become the museum's problem.

Mr. Pawluk stated he thinks the public would enjoy seeing these historical artifacts.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 11, 2003 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:25 a.m.

Regular Meeting

Tuesday

November 11, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 11, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 28, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held October 28, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$21,080.66:

Mr. Anderson moved to approve the airport vouchers totaling \$21,080.66.
Second by Mr. Pawluk.

Mr. Kilander now present.

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

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,753.35 to Flint Communications for payment request for 2003 Airport Marketing Program.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Northern Improvement:

Mr. Pawluk moved to approve the individual voucher in the amount of \$410,250.85 to Northern Improvement for Payment Request #5 for general construction of 2003 Airport Improvement Projects, AIP28.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Northern Improvement:

Mr. Pawluk moved to approve the individual voucher in the amount of \$299,355.26 to Northern Improvement for Payment Request #1 for general construction of Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Cook Sign Co.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$719.00 to Cook Sign Co. for installation of BAR sign for restaurant remodeling project.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,616.13 to Foss Associates for payment request for consultant fees, Eastside Terminal Modification Project.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,128.08 to Foss Associates for payment request for mechanical and food service consultant fees, restaurant remodeling project.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Foss Associates:

Mr. Pawluk moved to approve the individual voucher in the amount of \$375.11 to Foss Associates for payment request for architectural services in connection with the restaurant remodeling project.

Second by Mr. Anderson.

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

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

Received Communication from EideBailly Regarding Giftshop Financial Review:

Mr. Dobberstein stated as part of our ongoing annual tenant financial review process, EideBailly was hired to conduct a financial review of the Airport Giftshop (Kevin and Sheryll Clapp) and they have provided their report to us. He stated their report showed no findings for calendar year 2002. He added that the Clapps do a great job running the giftshop and we get a lot of good compliments on their operation.

The financial review of the giftshop for calendar year 2002 was received and filed without objection.

Received Proposed 2004 Marketing Plan:

Christy McLachlan, Flint Communications, was recognized and presented the proposed marketing plan for 2004. She stated that 2004 is both an election year and a summer Olympics year. She stated during election seasons one of our advertisements could be bumped and replaced by a political commercial at any time, depending on how much advertising time candidates buy. She stated we have bought mostly news time so our chances of not getting bumped are better than during prime time programs.

Ms. McLachlan stated this year we will be able to buy more television time, as well as radio and newspaper. She stated this year there will be no production costs since those were incurred this year.

Mr. Dobberstein stated the marketing budget for 2003 was \$100,000 and 2004 will be the same. He stated that we had set aside \$5,000 of this year's budget to assist the Travel Agents Association but none of those funds have been spent as they have not filed any formal request for the funds.

Mr. Dobberstein stated he would recommend we proceed with the 2004 marketing plan and have Flint Communications purchase the advertising spots.

Mr. Kilander moved to approve the 2004 airport marketing plan as proposed.

Second by Mr. Anderson.

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

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

Approved Farm Lease Amendment for NDSU and a Lease Extension for Bill Borgen Associated with 2004 Crop Year:

Mr. Dobberstein stated we received a communication from Mr. Kenneth Odde, NDSU, dated November 5, 2003, advising that they have agreed to allow Mr. Bill Borgen to continue to lease the 47.3 acre parcel east of North University Drive for one more year. He stated in the recent farm lease process this parcel was awarded to NDSU for crop years 2004-2006. Mr. Dobberstein stated if the board approves, we will remove that parcel from NDSU's lease and add it to Mr. Borgen's lease for crop year 2004.

Mr. Anderson asked if that is the area for the proposed park.

Mr. Dobberstein stated the Park District has met with the neighborhood but there seems to be no consensus among the neighbors as to where the park should be located.

Mr. Pawluk moved to approve the amendments to the farm leases for NDSU and Bill Borgen as requested.

Second by Mr. Kilander.

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

Approved Lease Request from Roger Tidd, Elite Lighting, for Additional Eastside Terminal Office Space:

Mr. Dobberstein stated we received a request on November 10, 2003, from Mr. Roger Tidd, Elite Lighting requesting to lease additional office space adjacent to his current storage space in the Eastside Terminal. He stated that Mr. Tidd has been renting the storage space for the past few months and would like the space vacated by Don Bye Associates. He added that the lease for the additional space will run concurrently with his original lease.

Mr. Anderson moved to approve the request from Roger Tidd, Elite Lighting, to lease office space in the Eastside Terminal.

Second by Gen. Macdonald.

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

Considered Request from Eagle 1 Aviation to Provide Flight Instruction Services via Fargo Aero Tech's FBO Agreement:

Mr. Dobberstein stated we received communications from Mr. James George III, Eagle 1 Aviation, and Mr. David Lundeen, Fargo Aero Tech, Inc. Mr. Dobberstein stated Mr. George approached him a few days ago regarding his interest to provide contract flight instruction through Fargo Aero Tech. He stated in conjunction with the board's policy that was passed back in 1979, Eagle 1 Aviation can provide flight instruction through Fargo Aero Tech's FBO agreement with the Airport Authority. He stated we have had, and currently have, charter operations through existing FBOs but this will be the first flight instruction operation through an existing FBO. Mr. Dobberstein stated with the Airport Authority's approval they will begin operations as soon as they acquire aircraft.

Mr. Kilander moved to approve the request from Eagle 1 Aviation and Fargo Aero Tech, Inc. for Eagle 1 Aviation to provide flight instruction under Fargo Aero Tech's FBO agreement.

Second by Mr. Pawluk.

Considered Request from Eagle 1 Aviation to Provide Flight Instruction Services via Fargo Aero Tech's FBO Agreement: (Continued)

Mr. Jim Sweeney, Fargo Jet Center, was recognized and asked if Eagle 1 Aviation has provided proof of adequate insurance.

Mr. Dobberstein stated we have not seen that yet but that is a requirement of the agreement and it is his understanding that they are working with Northstar Aviation Insurance.

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

Considered Equipment Purchase for Airfield Operations:

Mr. Dobberstein distributed a memo from Mr. Darren Anderson dated November 6, 2003, regarding the purchase of an all terrain vehicle for use by the airfield maintenance staff for interior perimeter fence line inspections and wildlife control. He stated we have been using pickups to perform these and they are just not able to get to the areas they need. He stated the staff did some checking and found a slightly used unit for under \$5,000.

Mr. Anderson moved to approve the purchase of an all terrain vehicle for airfield operations.

Second by Gen. Macdonald.

Mr. Pawluk asked what guidelines would be followed for helmet use.

Mr. Dobberstein stated we have not addressed that directly but would definitely follow all of the necessary safety requirements. He stated we will probably check with the mosquito control people as they utilize a number of ATVs.

Chairman Clark called for a vote on the motion.

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

Reviewed Northwest Airlines Proposal to Relocate Ticket Counter Area Equipment:

Mr. Dobberstein stated that Northwest Airlines has been working with the TSA on possibly relocating some of the equipment in front of the ticket counters, specifically the explosive trace detection (ETD) machines. He presented a copy of the plan proposed by Mr. Michael Murphy, Northwest Airlines station manager. Mr. Dobberstein stated they are proposing moving the ETD machines to the vacant counter area previously occupied by Republic Airlines. He stated passengers will check in, have their bags tagged, and then proceed to the ETD process. He stated they feel this will streamline the process and get rid of some of the congestion in front of the counter. He stated they are still waiting for some approval from the TSA before moving ahead.

Mr. Dobberstein stated Northwest is proposing to pay all of the costs for these changes, with the understanding that if another airline should start serving Fargo and need that space they would vacate the space.

Mr. Dobberstein added that it is his understanding that United Airlines is content with their configuration as it is.

Reviewed Hangar #2 and Hangar #4 Project Closeout Reports:

Mr. Dobberstein stated we received a letter dated November 3, 2003, from North Dakota Division of Emergency Management, regarding the closeout of the July 4, 1999 windstorm which destroyed Hangars #2 and #4. He stated in the initial phase of the accounting closeout of the project they had requested that we return over \$504,000 to Emergency Management. He stated that has been negotiated down to a difference of \$154,452.65 and that is the amount they are requesting we return to them.

Mr. Dobberstein stated after this whole process and after they have asked us to return a portion of the money, we were advised that there would have been more money available than we had been led to believe, so if we had spent another \$154,452.65 on the project it would have been a wash.

Mr. Anderson stated we could have spent the additional money to heat Hangar #4.

Mr. Pawluk stated we should do that.

Mr. Dobberstein stated it is too late. He stated we are not going to get involved with this agency anymore. He stated they think they are doing everyone a favor but they are not.

Mr. Kilander moved to accept the proposal from ND Emergency Management and submit to them payment of \$154,452.65.

Second by Mr. Anderson.

Mr. Dobberstein stated this situation ended better than we thought it would. He stated the participation received from our congressional delegation was a great help in getting ND Emergency Management/FEMA to sort through the information.

Mr. Pawluk stated it is hard for him to understand how FEMA/ND Emergency Management can be involved in a project from the very beginning, through the demolition phase, through the bidding phase, through the construction phase and through the closeout phase, and then for them to come two years later and say, "Oh, we made a mistake." He stated they were involved in the process the whole time and he does not support this compromise.

Gen. Macdonald stated he agrees with Mr. Pawluk. He stated they handled this matter very poorly. He stated unfortunately by law they are probably right and we can't do anything about it. The matter was handled terribly by them. He stated their communications to us were not complete and they failed to tell us things they should have. He stated we were led out onto the end of a plank and the plank was cut off behind us. He stated after review the matter and talking to people in Bismarck he does not see any way out of this unless we went to court.

Mr. Pawluk stated he feels we should take the matter to court.

Mr. Anderson stated they kept changing people that were handling this matter. He stated also agrees with Mr. Pawluk's feelings.

Mr. Kilander stated he also agrees but then will it do any good to square off with them.

Mr. Anderson what can we do differently in the future if we face this again so this would not happen again.

Gen. Macdonald stated face to face meetings might help.

Mr. Pawluk stated we did all of the right things and did everything we could.

Mr. Dobberstein stated we will not get involved in the process again.

Reviewed Hangar #2 and Hangar #4 Project Closeout Reports: (Continued)

Chairman Clark asked for a vote on the motion.

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

Mr. Pawluk voted no.

The motion was declared carried.

Received Notice From FAA Airports District Office Regarding Airport Land Use Conference, November 19, 2003, Bismarck:

Mr. Dobberstein stated we received a notice dated October 31, 2003, from the FAA Bismarck Airports District Office of an Airport Land Use Conference in Bismarck on November 19, 2003.

Mr. Dobberstein stated he has provided the Fargo Planning Department a copy of this notice and encouraged them to attend. He stated if only airport people attend this conference the FAA will be preaching to the choir. He stated the people that need to be there are the people that make the decisions regarding land use in a community. He asked Commissioner Rob Lynch to do whatever he could to encourage someone from the Planning Department and the Planning Commission to attend.

Mr. Lynch indicated he would do that.

Mr. Dobberstein stated he is not aware that the FAA directly invited the head of the planning department in each major city in the state but they certainly should have. Mr. Dobberstein stated he plans to attend and Mr. Synhorst, Ulteig Engineers, will also attend.

Mr. Kilander moved to adjourn to executive session to discuss security system plan issues, per Sec. 44-04-24 and 44-04-26 of the North Dakota Century Code.

Second by Mr. Pawluk.

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

The meeting of the Municipal Airport Authority was reconvened.

Continued Discussion Regarding Action Taken June 17, 2003 on the Airport Viewing Park:

Gen. Macdonald moved that the action taken by the Airport Authority on June 17, 2003, be reaffirmed and the viewing park will be opened, subject to the conditions requested by Gen. Haugen, Adjutant General (that gates be installed to close it when necessary, that signs be installed advising people to call the police department if any suspicious activity, and that we request that the Fargo Police Department make periodic patrols of the park) be met.

Second by Mr. Pawluk.

Gen. Macdonald stated several months ago the Airport Authority was requested by the US Attorney to meet with him as the chair of the Anti Terrorism Task Force for the state. Gen. Macdonald stated that when Mr. Wrigley was present at our meeting on June 17, 2003, he indicated he had a presentation to make to the board that was not releasable to the public so we had a choice of either not looking at the information or being allowed to look at it in an executive session. He

Continued Discussion Regarding Action Taken June 17, 2003 on the Airport Viewing Park:

stated that our attorney advised us at the time that an executive session was not possible, which it seems was in error as a law had already been passed allowing public boards to meet in executive session to discuss matters of security. He stated we could have disregarded the request from the US Attorney or we could have had one or two members meet and review the presentation, which we did. He stated we were between a rock and a hard place. Had we not reviewed the presentation we would have been criticized but we certainly were criticized for reviewing the presentation. He stated it was not the Airport Authority that insisted that the presentation be closed to the public but rather it was the US Attorney and he was adamant about it. He stated they even refused to show the presentation to the ND Attorney General when he requested to see it. He stated we did what we thought was best for the enhancement of security at the airport.

Gen. Macdonald stated after viewing the presentation, the two members who viewed it came back into the meeting after the recess. He stated when the meeting resumed he made the motion at that time to open the viewing park, based on what we had discussed in the open session and based on what Gen. Haugen had said. He stated in his opinion, the information we received from the US Attorney was not relevant to the viewing park. He stated he did not consider the information provided by the US Attorney as any reason to keep the viewing park closed and that is the reason he made the motion to open the park without any discussion with the other members about what they had seen in the presentation.

Chairman Clark asked for a vote on the motion.

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

Other Business:

Gen. Macdonald stated we have received year to date boarding figures for Hector International Airport and so far we are 5.6% over year to date last year and it looks like we could be headed for the biggest boarding year ever. He directed his comments to the members of the media present and advised them that we have copies of the report available and he indicated he would like them to use this information and pass it on to the public.

Mr. Anderson stated at the last meeting we talked about installing an information sign advising that the construction area at the entrance to the airport is for the batch plant for our runway project next year.

Mr. Dobberstein stated he and Mr. Synhorst, Ulteig Engineers, are working on language for the sign.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 25, 2003, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:48 a.m.

Regular Meeting

Tuesday

November 25, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 25, 2003, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Macdonald, Anderson, Pawluk, Clark
Absent: Kilander
Others: Stewart

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 11, 2003:

The minutes of the regular meeting of the Municipal Airport Authority held November 11, 2003 were approved without objection.

Approved the Airport Vouchers Totaling \$35,708.42:

Mr. Anderson moved to approve the airport vouchers totaling \$35,708.42.
Second by Mr. Pawluk.
On the call of the roll, members Macdonald, Anderson, Pawluk and Clark voted aye.
Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to Sherman Plumbing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,650.00 to Sherman Plumbing for payment request (final) for mechanical construction of restaurant remodeling project.

Second by Mr. Anderson.
On the call of the roll, members Macdonald, Anderson, Pawluk and Clark voted aye.
Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,047.13 to Ron's Electric for payment request (final) for electrical construction of restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,084.26 to Ron's Electric for payment request for the retainage amount for electrical construction for restaurant remodeling project.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to 3D Specialties:

Gen. Macdonald moved to approve the individual voucher in the amount of \$335.65 to 3D Specialties for material and labor to install informational sign for runway project staging area.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Update Regarding South General Aviation Area Lighting Plan:

Mr. Dobberstein stated he met with Joel Kath, Ulteig Engineers, last week to refine the plan he provided previously for upgrading the lighting in the south general aviation area. He stated the primary area is in front of the Fargo Aero Tech. He stated we are concentrating on three other areas. The location of the former Northwest Airlines storage building is the proposed site for a 60' light pole. He stated we are looking at talking with the Big Blue Hangar Association to see if they would allow us to mount a three directional light fixture on their building. He stated the third location would be on the Westwind Condo building.

Mr. Dobberstein stated Ulteig Engineers is planning on doing an illumination study sometime soon.

Discussed West Entryway Door Replacement:

Mr. Dobberstein stated the automatic doors on the front of the terminal building are the original doors and the set of doors on the west end of the building have been giving us the most trouble lately. He stated the technician at Dakota Plate Glass, who has been the same technical who has worked on the doors since their installation, has exhausted all efforts to find replacement parts.

Mr. Dobberstein stated David Heck, building maintenance, has received proposals from both Dakota Plate Glass and Fargo Glass & Paint Co. for replacement of the doors. He stated the replacement doors will probably be wider than the existing doors in order to better accommodate the moving of some of the items on display in the terminal (boats, cars, etc.).

Mr. Dobberstein distributed proposals received by Fargo Glass & Paint in the amount of \$14,876.00 and Dakota Plate Glass in the amount of \$13,322.00.

Mr. Pawluk asked if Mr. Dobberstein saw any advantage to the proposal from Fargo Glass over the Dakota Plate Glass proposal.

Mr. Dobberstein stated he does not see any advantage to the Fargo Glass proposal over the Dakota Plate Glass proposal. He stated Dakota Plate Glass purchased Glass Unlimited and it was Glass Unlimited that installed the doors and we were able to have the same technician all of these years and the service has been prompt and efficient. He stated he would recommend accepting the proposal from Dakota Plate Glass.

Mr. Pawluk moved to accept the proposal from Dakota Plate Glass, Inc. in the amount of \$14,331.00.

Second by Gen. Macdonald.

Gen. Macdonald stated it looks to him like the proposals are for two different size doors.

Mr. Anderson stated he was wondering the same thing. He stated it looks like one is 16' and the other is 6'.

Mr. Pawluk withdrew his motion.

Gen. Macdonald withdrew his second.

Mr. Dobberstein stated it would simplify things for our maintenance staff if we had the same company to work on all of the automatic doors rather than two different companies.

Mr. Anderson stated he does not feel that would be an issue. He stated we should get clarification on the two proposals. He stated he feels the wider the door the better.

After further discussion, the matter was tabled for clarification.

Received Update on Airport Liability Insurance Renewal Process:

Mr. Dobberstein stated our insurance broker (Allen Winters, Marsh) has provided our insurance information to six insurance carriers for proposals and only one company has responded. He stated Mr. Winters' goal is to have a proposal to us by our first meeting in December. He stated the insurance industry will drag their heels on this as they do every year, but we will have a policy in place. He stated we believe the premium will probably be about the same but the coverage will more than likely be less.

Approve Assignment of Lease Request from Atlantic Coast to SkyWest:

Mr. Dobberstein stated we received a letter dated November 10, 2003, from SkyWest Airlines requesting that we assign the lease with Atlantic Coast Airlines to SkyWest. He stated that SkyWest will be taking over the operation of the station in Fargo effective January 7, 2004. He stated that SkyWest will retain the current station manager, KaSaundra Olstad.

Mr. Dobberstein stated Attorney Stewart will draft an Assignment of Lease and Consent to Assignment of Lease, which is our standard procedure.

Mr. Dobberstein stated this change will have no effect on the traveling public. He stated the flights will remain the same for the foreseeable future. He stated the aircraft should remain the same but there is the potential for SkyWest to use 70 seat aircraft in Fargo.

Gen. Macdonald moved to approve the assignment of lease from Atlantic Coast Airlines to SkyWest Airlines.

Second by Mr. Anderson.

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

Airport Construction Project and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the remaining piece of Taxiway B should be opened today.

Mr. Synhorst stated he and Darren Anderson, along with other Ulteig personnel, met with the Airway Facilities people in the FAA Regional Office in Chicago regarding the Runway 17/35 Reconstruction Project. He stated we have their plans for the relocation of the ILS system and we will incorporate those into our project plans. He stated they have three to four people in their office working full time on the plans for the runway project.

Mr. Synhorst stated he would like the board's input on an issue with the runway project. He stated the FAA always has in their general conditions a pre-qualification for bidders. He stated the conditions state that if a contractor is on the DOT's list of qualified contractors you are basically pre-qualified. He stated the Minot airport went into a little more depth with pre-qualification of contractors and he would like to look into it further. He stated he would like to put out a pre-qualification package for contractors to submit for review and approval and then when the request for bids is advertised we will already know which contractors are qualified and will be allowed to bid.

Mr. Bob Anderson asked Mr. Synhorst if he has wind that a contractor that is not qualified is going to bid the project.

Mr. Synhorst stated he would hate to have someone do that. He stated he does not feel the qualification requirements in the FAA specifications are not specific enough. He stated they are mainly concerned with the money aspect.

Mr. Anderson asked how he would go about advertising the pre-qualification process.

Mr. Synhorst stated it would be advertised in the same method as the project itself. Mr. Synhorst asked Attorney Stewart for his comments.

Airport Construction Project and Security Update: (Continued)

Attorney Stewart stated he sees no problem with the pre-qualification process, but if a bidder comes along and is the low bidder the project must be awarded.

Mr. Synhorst stated he understands that but he would like to have time before the bidding process to review and evaluate the contractors. He stated we still have time to add this to the process and he would like the board to consider it.

Gen. Macdonald stated he doesn't see anything wrong with doing this but we have to realize that we may have to do it again for some contractors.

Mr. Anderson stated he worked for the MN Highway Department in Minneapolis for eight years and they had big projects like this and they couldn't eliminate any contractors. He stated if a contractor was able to get the bond they were able to do the job.

Mr. Synhorst stated he wants to go over this a little more with Tom Schauer, FAA Airports District Office in Bismarck, and find out more details on how they handled this in Minot.

Mr. Pawluk stated he knows the City of Fargo is dealing with this same issue because of their dissatisfaction with certain contractors and their ability to get the work done once they get the job. He stated they are working on how to write their bids so that they don't have to deal with contractors who have performed poorly in the past.

Mr. Synhorst stated he has been contacted by at least three contractors that are very interested in the project. He stated as far as concrete paving projects go, the contractors sub contract out a lot of the paving. He stated there is a lot of work to be done in a short amount of time. He stated after their meeting in Chicago it appears there are a couple different interpretations on how much of the project has to be done before the FAA can do their flight check for the ILS system. He stated there may be two flight checks, one for the runway itself and one for the ILS system.

In answer to a question from Mr. Anderson, Mr. Synhorst stated we are still in the process of determining the amount to fix for liquidated damages.

Gen. Macdonald asked Mr. Dobberstein to review the finances of the project.

Mr. Dobberstein stated we are anticipating \$4 million in entitlement funds, \$6 million earmarked in discretionary funding by Sen. Dorgan, \$3-\$4 million in additional discretionary funding the FAA Airports District Office in Bismarck feels confident they will be able to get for us. He stated the goal for 2004 is to find \$19 million to cover construction fees in 2004. He there will be another round of negotiations for the 2005 budget, which will be for additional discretionary dollars and possibly some participation from the NDANG, but that is a stretch. He stated this will require that we issue bonds for \$5 to \$8 million.

Gen. Macdonald stated we could go for a maximum of \$10 million in bonds and sell them only as needed.

Mr. Dobberstein stated that is what we have been advised by our bond counsel. He added that Mr. Tom Schauer, FAA Airports District Office in Bismarck, has indicated that we should have a better idea of funding in late December to mid January.

Airport Construction Project and Security Update: (Continued)

Mr. Dobberstein asked Mr. Roger Kotchian, FAA Airway Facilities, to update the board on the FAA's ASR11 radar project.

Mr. Kotchian was recognized and stated they are supposed to start breaking ground next summer. He added that the rehab of the control tower is going to start in March.

Mr. Darren Anderson was recognized and stated that we have taken care of all of the fencing issues. He added that we purchased the ATV last week for airfield perimeter checks. He stated Northwest Airlines is in the process of moving all of the TSA explosive detection equipment behind the ticket counter area. He added that while he was in Chicago he had the opportunity to meet and visit with Karen Burke, TSA, who is our Federal Security Director's boss.

Mr. Dobberstein stated the Sioux Falls airport is expanding their ticket counters out to accommodate the ETD equipment. He stated we do not really have room to move the ticket counters out into the floor area and maintain adequate walkways. He stated he is not sure that the technology the TSA has in place now will be what we have in a couple of years. He stated we do not want to spend a lot of money on major renovations only to have to change again in a couple of years.

Other Business:

Mr. Pawluk stated he would like to compliment Mr. Dobberstein and the staff on the airline appreciation reception and grand re-opening of the restaurant on November 19.

Mr. Pawluk stated he would like to see the board look into taking some of the funds in our marketing budget which was set aside to help travel agencies and redirect it to help the FBOs on the airport in their marketing efforts.

Mr. Dobberstein asked Mr. Pawluk what he was suggesting.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated he has actually been working on something to propose to the Airport Authority and that is a cooperative effort with Fargo Jet Center with the national trade shows they attend, which number about four a year. He stated when they attend these trade shows they are marketing Fargo and the airport. He stated they are trying to look at the picture for the whole year and propose that the Airport Authority participate in a cooperative effort. He stated he will have a more detailed proposal in the very near future.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, December 16, 2003.

Time at adjournment was 8:52 a.m.

Regular Meeting

Tuesday

December 16, 2003

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, December 16, 2003 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Virginia Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 25, 2003:

The minutes the of the regular meeting of the Municipal Airport Authority held November 25, 2003, were approved without objection.

Approved the Airport Vouchers Totaling \$30,692.05:

Mr. Anderson moved to approve the airport vouchers totaling \$30,692.05.

Second by Mr. Kilander.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$19,033.49 to Ulteig Engineers, Inc. for payment request for engineering services in connection with 2003 Airport Improvement Project, AIP28.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$133,696.26 to Ulteig Engineers, Inc. for payment request for engineering services in connection with preliminary design for Runway 17/35 Reconstruction Project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$19,273.52 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the final design for Runway 17/35 Reconstruction Project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Brown & Saenger:

Gen. Macdonald moved to approve the individual voucher in the amount of \$14,892.98 to Brown & Saenger for Payment Request #2 (Final) for restaurant and bar furnishings.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Northern Improvement:

Gen. Macdonald moved to approve the individual voucher in the amount of \$86,009.00 to Northern Improvement for Payment Request #6 for general construction of 2003 Airport Improvements, Project AIP28.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Northern Improvement:

Gen. Macdonald moved to approve the individual voucher in the amount of \$22,305.59 to Northern Improvement for Payment Request #2 for Runway 17/35 Reconstruction Project, AIP 29.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Nodak Contracting/Strata:

Gen. Macdonald moved to approve the individual voucher in the amount of \$21,776.75 to Nodak Contracting/Strata for Payment Request #2 for electrical construction of 2003 Airport Improvements, Project AIP28.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,047.13 to Ron's Electric for payment request #8 for electrical construction of restaurant remodeling project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ron's Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,084.26 to Ron's Electric for Payment Request #9 (Final) for electrical construction of restaurant remodeling project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Sherman, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,650.00 to Sherman, Inc. for Payment Request #6 (Final) for mechanical construction of restaurant remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$7,141.28 to Flint Communications for payment request for 2003 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark 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 \$192.50 to Foss Associates for payment request for professional services in connection with the furnishings for the restaurant remodeling project.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Macdonald, Anderson, Pawluk and Clark voted aye. No member being absent and none voting nay 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 \$7,944.00 to Cass County Treasurer for payment of 2003 drain assessments.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to City of Fargo:

Gen. Macdonald moved to approve the individual voucher in the amount of \$16,407.30 to the City of Fargo for first and final payment of paving special assessments for the airport's share of North University Drive North of County 20.

Second by Mr. Pawluk.

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

Continued Discussion Regarding West Entry Automatic Door Replacement:

Mr. Dobberstein stated at the last meeting we received proposals for the replacement of the front entry automatic doors but the matter was tabled because the proposals were not for similar doors. He stated he attempted to work with Fargo Glass and Dakota Plate Glass but could never come up with an apples to apples agreement, so he contacted Mr. Patrick deLaPointe at Foss Associates and he drew up a two page specification with exactly what we wanted.

Mr. Dobberstein stated after the two firms received the specifications they submitted proposals as follows: Dakota Plate Glass \$11,195.00 and Fargo Glass and Paint \$14,348.00. He stated Mr. deLaPointe reviewed the bids and indicated he was comfortable with the proposals and the prices.

Mr. Anderson moved to accept the proposal from Dakota Plate Glass in the amount of \$11,195.00 for replacement of the west entry doors.

Second by Gen. Macdonald.

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

Discuss Acquisition of Property Adjacent to the Airport:

Mr. Dobberstein stated he and Attorney Stewart have been dealing with Mr. Jacque Stockman on behalf of his son, John, on an approximately 81 acre tract of land north of the airport. He stated following our offer and their counter offer we have agreed upon an even \$400,000 for that property. He stated the purchase of this land is included in our current PFC application which is in the approval process. He stated we will be able to recover the entire amount of the purchase, plus any additional fees involved with the purchase.

Mr. Dobberstein stated in updating the legal description and establishing easements that go through the property it was discovered that there is an existing dike or road on the property.

Attorney Stewart stated that in addition to the dike/road there is a buried utility cable that should be located so we know exactly where it is.

Mr. Pawluk asked who is responsible for maintaining the dike.

Attorney Stewart stated it isn't exactly a dike it is more like a road.

Mr. Pawluk asked what it protects.

Mr. Dobberstein stated that Mr. Stockman indicated it did benefit property in the Stockman Addition in the 1997 flood.

Mr. Pawluk asked if we are buying a liability.

Attorney Stewart stated the dike can be removed since the land is now in the city limits. He stated we can check with City Engineer Mark Bittner to make sure there is flood protection in place for that area.

Mr. Dobberstein stated Mr. Stockman's terms were \$280,000 before December 31, 2003, and the balance on January 2, 2004. He stated we issued a check to the Solberg Trust Account last week so all of the accounting would be in place. Mr. Dobberstein stated per the board's approval we will finalize the transaction yet today or tomorrow.

Mr. Pawluk moved the Airport Authority authorize the finalization of the agreement with Mr. Stockman for the purchase of this property.

Second by Mr. Anderson.

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

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

Received Update Regarding Airport Liability Insurance Process:

Mr. Dobberstein stated we received word from Marsh that out of the six insurance companies they contacted only two provided quotations:

AIG Aviation - \$85,700

ACE USA - \$112,819

Mr. Dobberstein stated the only change from last year is that AIG has changed the wording regarding auto liability coverage from "on any part of the airport" to "restricted parts of the airport". He stated basically that means that they will cover anything inside the fenced or restricted area. He stated outside of that area our self-insured coverage with the City of Fargo would apply.

Received Update Regarding Airport Liability Insurance Process: (Continued)

Mr. Anderson asked Mr. Dobberstein to do some research on the coverage the Airport Authority has for the board members and report back at a later date.

Mr. Pawluk authorized the Executive Director to entire into the aviation liability insurance policy with AIG Aviation for an annual premium of \$85,700 as outlined.

Second by Mr. Kilander.

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

Discussed Proposal for Partial Shelterbelt Removal (Runway 8 Approach End):

Mr. Dobberstein stated the matter of removing some of the trees in the shelterbelt at the approach end to Runway 8 was discussed by the Airport Authority some months ago. He stated he discussed the project with City Forester, Scott Liudahl, and we have been working with him on getting quotes for the removal of the trees.

Mr. Dobberstein stated the proposal received was \$9,450.00 to remove 75 trees on either side of the centerline for a total of 150 trees.

Gen. Macdonald stated as a pilot, if he is flying an airplane and gets into trouble he would rather have the trees there rather than no trees because just beyond that are the railroad tracks. He stated he would rather have the wings torn off by trees rather than have the engine shoved back to the fuselage by a railroad track.

Mr. Dobberstein stated it is likely the trees would be taken out when the runway is extended to 8,000 feet but an airspace study would need to be done. Mr. Dobberstein stated he is neutral on the matter.

Mr. Kilander stated he is not a pilot, but if the pilots want the trees there then he does not know why we would take them out.

Mr. Pawluk stated he would like to hear another pilot's opinion. He stated he thinks of the pilot who experiences an engine failure on departure who will want to turn away and if there is a clear shot for him to land then he doesn't worry about hitting trees. He added that Gen. Macdonald is correct that the railroad tracks are just few hundred feet beyond that.

Mr. Jeff Rye was recognized and stated his opinion as a pilot he agrees with Gen. Macdonald and he would rather keep the trees in place.

Mr. Ron Saeger was recognized and stated if it is not required that the trees be taken out he wouldn't bother.

Chairman Clark stated there is no motion and from the comments that have been made apparently no motion is necessary.

Airport Construction Project and Security Update:

Mr. John Scaper, Ulteig Engineers, was recognized and stated the only work left on the 2003 Airport Improvement Project, AIP28, is the seeding which will be done in the spring. All of the lighting and signage work has been completed.

Airport Construction Project and Security Update: (Continued)

Mr. Scaper stated they are still on schedule for the March bid date and a May start date.

Mr. Darren Anderson, Airport Security Coordinator, reported that the TSA's explosive trace detection machines are now located behind the counters at Northwest. He stated it seems to be a very clean operation for Northwest and seems to be working well.

Received Information from Mayor Furness Regarding Policy 300-005:

Mayor Bruce Furness was recognized and thanked the board members for serving on the Airport Authority and stated their service is important to the community.

Mayor Furness stated we are all familiar with the recent issue with the FargoDome Authority regarding their ticket policy. He stated as a result of that the City Commission has directed him to go to all of the board members appointed by the City Commission and make sure that everyone understands the City of Fargo's ethics policy. He stated the policy was created in 1994 as a result of a couple of employee situations. He stated all of the boards were informed of the policy at that time, but unfortunately we have not done a good job of continuing to make sure that new members are aware of the policy. He stated the policy basically states that any city employee, appointed or elected officials, should not receive any kind of benefit, perk, or advantage that is not available to the average citizen, particularly to persuade a vote. Mayor Furness stated the policy allows an employee, appointed or elected official to accept anything up to \$20.00 in value.

Gen. Macdonald stated because of the uniqueness of the Airport Authority, he asked we if should have our own policy.

Mayor Furness stated you could but he feels the City's policy currently in place should cover most situations.

In answer to a question from Mr. Anderson, Mr. Dobberstein stated this information has been presented to all employees in the past and is included in the employee handbook, but he will distribute the information again to refresh everyone's memory.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, January 13, 2004, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:47 a.m.