

Regular Meeting

Tuesday

January 11, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 11, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Macdonald, Anderson, Pawluk, Kilander

Absent: None

Others: Stewart, Williams

Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 14, 2004:

The minutes of the regular meeting of the Municipal Airport Authority held December 14, 2004, were approved without objection.

Approved the Airport Vouchers Totaling \$72,722.20:

Mr. Pawluk moved to approve the airport vouchers totaling \$72,722.20.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to RM Hoefs & Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,700.00 to RM Hoefs & Associates for property appraisal services (Martin and Harris properties).

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Gnoinsky Brothers/Strata:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,375.00 to Gnoinsky Brothers/Strata for payment request for manhole repairs in the southeast general aviation area.

Second by Mr. Pawluk.

On the call of the roll, members Clark, Macdonald, Anderson, Pawluk and Kilander 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 \$9,375.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the southeast general aviation area lighting project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Marsh USA:

Gen. Macdonald moved to approve the individual voucher in the amount of \$78,073.00 to Marsh USA for the 2005 airport liability insurance premium.

Second by Mr. Pawluk.

On the call of the roll, members Clark, Macdonald, Anderson, Pawluk and Kilander 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 \$6,430.42 to Flint Communications for partial payment request for 2004 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Clark, Macdonald, Anderson, Pawluk and Kilander 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 \$36,668.62 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 Clark, Macdonald, Anderson, Pawluk and Kilander voted aye. No member being absent and none voting nay the motion was declared carried.

Received PFC Report for the 4th Quarter of 2004:

Mr. Dobberstein distributed the PFC report for the fourth quarter of 2004. He stated that for calendar year 2004 we collected \$1,012,760.86 in PFC revenue.

The report was received and filed without objection.

Continued Discussion Regarding Sixel Consulting Group Proposal:

Mr. Dobberstein stated he provided the board members with a proposed consulting agreement dated December 26, 2004 from Sixel Consulting Group, Inc. He stated at our last meeting Mr. Sixel gave a presentation to the board offering his services to us to improve/enhance air service opportunities for the market in Fargo, similar to what he has done in Sioux Falls and other airports around the country. He stated he has an incentive based proposal where he works for a limited amount of fees but his payment comes through a fee of \$2 per passenger with a maximum of \$80,000 per new service. He stated Mr. Sixel usually works for only one airport a year on this risk/reward basis.

Mr. Pawluk asked what the evaluation of Mr. Sixel's services to Sioux Falls has been.

Mr. Dobberstein stated he has heard positive comments from Sioux Falls and all of his references were provided to us at the last meeting. Mr. Dobberstein stated Mr. Sixel is pretty clear that first and foremost he will work with Northwest Airlines and the United Express carriers to see what they can do to increase capacity and frequency. He stated at the same time he will solicit other carriers he works with.

Mr. Pawluk stated it seems that Mr. Sixel is confident in his ability to accomplish this, as he wouldn't do this if he didn't think there were additional carriers that would serve Fargo. He stated the real question is would those carriers come here either way.

Mr. Dobberstein stated it is possible we would get additional service at some point in the future. He stated what Mr. Sixel does is bring them information that would move us up on the list. He stated there are some options he proposes to them such as pre-purchased tickets, marketing packages, small community air service grants, etc.

Mr. Anderson stated he is not sure how he feels about this; however, long range planning is certainly part of the Airport Authority's responsibility. He asked Mr. Dobberstein how he feels about this.

Mr. Dobberstein stated he feels this market is ripe for additional air service. He stated it would be great if Northwest would add two or three more frequencies to Minneapolis. He stated we desperately need someone to increase capacity to Denver. He stated United has talked about that and they have set target dates that have come and gone. He stated that is in part to United's bankruptcy and financial concerns and pulling down mainline service so the regional carriers are feeling that impact. He stated both United and Northwest recognize the opportunity but Northwest right now is at their desired load factor in Fargo and they cannot handle any more passengers going into their Minneapolis hub. He stated we can get together a consortium of local representatives and meet with Northwest and United but at the same time the airlines are looking for Mark Sixel. He has

Continued Discussion Regarding Sixel Consulting Group Proposal: (Continued)

a reputation with the airlines and they know that when he comes before them with information it is accurate. He stated if it is not going to work there is no incentive for him. He stated Mr. Sixel does not want to bring to a community air service that will fail as he would no longer be in business. He stated Mr. Sixel has a great rapport with the major carriers and when it comes down to it the airlines are going to look to someone like Mr. Sixel rather than local representatives presenting a case for service.

Mr. Anderson asked if Mr. Dobberstein sees any down side.

Mr. Dobberstein stated there is always risk. He asked will Northwest increase frequency to Minneapolis because competition comes into an airport where they hold 70% of the market? He stated there are a lot of airports out there that have non-stop service to multiple destinations. He stated we have service to three, but it would be nice to have five or six.

Mr. Pawluk stated one of the things that is a positive for getting another airline is that we don't know what is going to happen to United. He stated they could very well pull back service even though this is a good market for them. He stated if we do have another player in here it gives us more options should something happen. He stated in thinking about this proposal he can't really think of a good reason not to do something.

Chairman Kilander stated right now we have a certain volume of travelers flying out of Fargo. He stated is there any chance that by making a change in service we would reduce the volume of passengers. He stated in his mind there is more probability to increase that volume of passengers. He stated if one carrier decides to leave someone else will fill that void, as the traveling volume is still there.

Mr. Dobberstein stated Mr. Sixel put together a fare comparison as we do monitor on a regular basis. He stated Darren Anderson just put together a comparison against Grant Forks and Sioux Falls and you can see some of the market dynamics taking place in the Sioux Falls market. He stated Delta has announced a re-vamping of their entire fare structure from more than forty fares down to six. He stated Mr. Sixel can identify those fare comparison differences and keep them in check so that it is not advantageous to drive to another airport.

Gen. Macdonald stated at the present time he would like to see what happens in Sioux Falls after the winter exodus to Phoenix turns around. Non-stop Fargo to Phoenix looks great but he does not know how it will do in July and August. He stated he has seen airlines come in here with great hopes and enthusiasm and then leave. He stated he would hate to see us lose a major carrier and get someone in here who is not financially stable. He asked if we are really going to gain anything. He stated if we were going to pay him based on our overall increase in passengers, rather than just paying him for passengers using new service rather than existing service.

Dr. Clark stated she would agree that this is something Mr. Dobberstein and other community leaders could accomplish, however, this is something to do on top of everything else they have to do. He stated Mr. Sixel has a reputation and it is based on his success. She stated Mr. Sixel could probably get into doors more quickly than we could and she feels the potential is tremendous. She stated she can't see a down side and she supports this proposal.

Mr. Pawluk stated he would not be in favor of this is if it appeared to him that it would damage the existing carriers. He stated the result will probably be bringing more people to the party. He

Continued Discussion Regarding Sixel Consulting Group Proposal: (Continued)

stated it is hard to say what the dynamics in this market will be two or three years from now but the options are always better if we have more players landing airplanes and flying people in and out of Fargo. He stated he does not see this as an effort toward bringing in an airline that is going to fly people from Fargo to Minneapolis. He stated he does not even see this as looking for another carrier to provide service to Denver. He stated he thinks to add another airline and to attract more people to the airport will continue to solidify Hector International Airport as the regional airport that has a draw beyond our traditional boundaries. He stated he would have to think there would be a net of more good than damage with this program.

Gen. Macdonald stated he remembers when we had both Frontier and United and we lost them both. He stated it doesn't seem reasonable that we would lose them both. He stated neither one was making a profit. He stated you would expect that one would leave and then the other one could make it but it is just the opposite. He stated he does not think we would ever lose Northwest service to Minneapolis, but he is terrified of losing service to Denver in exchange for service to Phoenix.

Mr. Pawluk stated the service that would be most at risk would be Fargo-Chicago, as Chicago is a hard airport to get into and it is almost like it is a pain for them to fly that route and it seems to be the one they want to cancel the easiest. He stated he shares many of Gen. Macdonald's concerns.

Gen. Macdonald stated he would like to see how a few things shake out in Sioux Falls before taking any action. He stated we run some risk on delaying this, but we also run risk by acting too quickly. He stated he would rather pay for a study to show what could happen with Fargo based on his proposal rather than moving ahead. He stated he would like to look at some more data and hear some more of his ideas on some of our questions.

Dr. Clark stated she has been in Fargo for 13 years now and it is such a different place than it was 13 years ago. She stated this region is very different than other parts of the country. She stated we have a lot of different kinds of business and a lot of different demands. She stated as she looks to the future she thinks this is the time to do this. She stated with the businesses that will have the potential to be here we have to have transportation available.

Mr. Anderson stated as an Airport Authority we are looking to the future and trying to plan for changes. He stated he has some of the same fears that Gen. Macdonald has. He stated he is riding the fence a little on this matter as he wants to be forward thinking but he is concerned about any down side and any affect on existing service.

Mr. Pawluk stated the question we should ask ourselves is that if any airline came to us and said we want to provide service between Fargo and (fill in the blank). Would we say to them, no, we don't want you to come.

Mr. Dobberstein stated we really can't tell them no. There may be some space issues but we cannot tell them no.

Chairman Kilander stated he sees our goal as increasing passenger traffic. He stated if Mr. Sixel's proposed payment is based on passengers using new service and it turns out those passengers are not new but just moving from one airline to another he wonders what is the benefit to the airport or the other carriers.

Gen. Macdonald stated that is his concern if we get Detroit service with Northwest. He stated it will make it more convenient for passengers but it will probably not add overall passengers. He

Continued Discussion Regarding Sixel Consulting Group Proposal: (Continued)

stated we would be paying Sixel \$2 per passenger as that would be a "new route."

Mr. Pawluk stated he thinks it makes it a more vibrant airline economy when we have as much service as we can support. He stated he does not want to do this if it would harm the existing carriers. He stated one thing that peaked his imagination in Mr. Sixel's presentation was the possibilities of what happens when you have a new carrier flying into a new hub, such as America West into Phoenix, which then opens up many Mexican destinations.

Gen. Macdonald stated he would like to table this and wait a month or six weeks and see what happens in Sioux Falls and then make a decision.

Mr. Pawluk asked what a delay would do to Sixel's proposal.

Mr. Dobberstein stated there is a short window of opportunity on any small community air service grant funds so he would have to check with Mr. Sixel.

Chairman Kilander asked if it would be reasonable to ask him to address his compensation program. He stated he would like to see increased compensation for a new carrier and increased passengers rather than for passengers just changing carriers.

Mr. Dobberstein stated our market will probably grow 2-3% anyway.

Mr. Anderson stated he would like to postpone any decision until the next meeting also. He stated he would like to spend a little more time looking at the options.

Mr. Pawluk stated he feels this is a fair proposal but there is nothing wrong with giving it some more time for consideration while we get a few more answers.

Mr. Pawluk stated one main concern is that simply transferring customers already flying out of Fargo is not a fair measurement of success on which to base his fee and it would be hard to justify compensation for that.

Mr. Dobberstein stated other carriers will come into this market if we wait, but we want to stay ahead of our competition. He stated an additional carrier may result in some logistical problems and it may cause us to look at building expansion, but that is a good problem to have.

Mr. Anderson stated he feels it is important that the minutes of these meetings reflect that we are not considering this because we are in any way unhappy with the service we are received from either Northwest or United.

Mr. Dobberstein stated waiting a month might not be a big deal but he will contact Mr. Sixel.

Chairman Kilander stated the only down side in not dealing with it at this point is that Mr. Sixel, as a business person, has to move ahead with his business and he may find another market wanting his services.

Mr. Pawluk stated he would like to see us delay the matter two weeks.

Gen. Macdonald stated he would like to know if Mr. Sixel is amenable to basing his risk/reward fee on an increase in overall passengers, not simply for transferring passengers from one airline to another.

Gen. Macdonald asked if there is anything we can do to get a commitment from our United regional carriers that they will continue to serve Fargo regardless of what United Airlines does.

Mr. Dobberstein stated the regional carriers are dependent on United Airlines for their reservations system. They do not have that capability on their own.

Chairman Kilander stated it seems to be the consensus of the board to continue discussion on the Sixel proposal at the meeting on January 25.

Considered Proposal from Guy Kittelson for South General Aviation Area Hangar Location:

Mr. Dobberstein stated about a month ago Mr. Guy Kittelson dropped off a sketch of where he would like to place a hangar in the south general aviation area. He stated he is one of several people who have indicated an interest in building a hangar in the south general aviation area but space is definitely limited in that area.

Mr. Dobberstein stated Mr. Kittelson is proposing to construct a hangar directly between the Odegaard hangar and the Big Blue Hangar. He stated he is not sure we want to plug up that space with a hangar. He stated we are out of space in the south general aviation area and he has a list of about six people who would like to build in the south general aviation area. He stated there is the area the Guard used to lease north of the Dakota Air Parts hangar but the Guard is still in the process of cleaning up that area so it is not suitable for building at this time.

Mr. Pawluk stated he is in favor of doing everything we can to allow general aviation to expand. He stated he does agree with Mr. Dobberstein that there really isn't room in the south general aviation area and the location requested by Mr. Kittelson is not a good fit. He would like to encourage Mr. Kittelson to build a hangar at Hector Airport but not in that location.

Chairman Kilander stated our long range planning for general aviation calls for expansion in the north general aviation area. He asked what we can do as an Authority to encourage hangar owners to locate there.

Mr. Dobberstein the general aviation market is a little quite right now due to fuel costs, insurance costs, etc. He stated the least worry for a hangar owner would be the airport's ground lease which is currently ten cents per square foot per year in the north general aviation area. He stated they do pay a leasehold interest tax. He stated we have put a lot of money into infrastructure in the north general aviation area and that is where growth should take place.

Gen. Macdonald stated we have invested a lot of money in the north general aviation area and unless there is some overriding reason we should encourage Mr. Kittelson to build up north.

Gen. Macdonald moved the Airport Authority deny the request of Mr. Kittelson to building a hangar in the location presented.

Second by Mr. Pawluk.

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

Chairman Kilander asked Mr. Dobberstein to go back to Mr. Kittelson with a message of encouragement for him to build in the north general aviation area.

Mr. Dobberstein stated he did indicate to Mr. Kittelson that if the site had been conducive to the location of a hangar it would have been shown on our airport master plan.

Mr. Pawluk stated in his time on the Airport Authority he has seen a lot of growth at the general aviation airports in the area (West Fargo, Casselton, etc.) but we have not seen that growth in Fargo. He stated we seem to attract more corporate general aviation and private general aviation tends to go to the non-towered airports.

Mr. Dobberstein stated that since the ice storm a couple of weeks ago we are the only airport in the area with an open runway. He stated we still have two runways closed.

Mr. Pawluk stated one of the messages that needs to get out to the flying public is that pilots are afraid of the tower and the FAA being on the field, but they forget about the fact that we have 24 hour aircraft rescue and fire fighting on the field and there is no place he would rather land. He stated if there is an accident they are there right now.

Received Update Regarding Danny Schatz Self Fueling Unit:

Mr. Dobberstein stated Mr. Danny Schatz came to see him last week and update him on his self fueling trailer, which is being constructed. He stated Mr. Schatz picked him up and drove to the south general aviation area to show his proposed location to park the unit. He stated the location is just inside the fence south of the Olig/Glatt hangar. He stated he now has to get the approval of the Fargo Fire Department. He stated we still have to put together an agreement for the payment of his fuel flowage fee and the requirement that he meet all criteria for a self-fueling unit. He stated the agreement will also address the fact that there is a lot of talk at the EPA level regarding changes in how mobile fuelers are handled at airports. He stated if there are any local, state or federal changes in requirements he would have to meet those requirements. He stated Mr. Schatz has already met with the Highway Patrol regarding a license for the unit.

Received Update on US Customs:

Mr. Dobberstein stated he distributed a letter dated January 5, 2005 from US Customs in Seattle, WA, as a result of our communication to them regarding a change effective November 1, 2004, where the Fargo Customs agents cannot clear aircraft at any location (FBOs) on the airport other than their facility on the southeast side. He stated in their response they recited CFR Part 122. He stated we have been working with representatives from Pomeroy's and Dorgan's office and the governor's office.

Mr. Dobberstein stated the last paragraph of the letter seems to leave open the opportunity for additional facilities at the FBOs. He stated the reason they have allowed inspections to be conducted at Fargo Jet Center is that they have provided the facilities US Customs has required.

Mr. Dobberstein stated he will continue to work with our congressional delegation to either visit Customs representatives in Pembina or Seattle, or invite representatives from US Customs here to confirm what has been in place since 1995 or to advise what is needed in order to conduct inspections at other sites on the airport. He stated they will work with the local agent, Todd Hulsether, as well.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated there has never been an assigned space in their facility for Customs but there could be designated space if needed.

Mr. Dobberstein stated there are two other issues with US Customs also pending. He stated one is the status of our full time port. We have heard of the possibility of reverting back to a user fee port, which would result in an annual cost of \$150,000-\$200,000, which is shared among the local government entities and economic development organizations.

Mr. Dobberstein stated the third issue is that of allowing passenger charters to clear in Fargo. He stated this is something we have been working on since March 2003. He stated charters returning from Cancun, Puerto Vallarta, etc., had been cleared in this terminal for years until US Customs made that change in their requirements for facilities. He stated we are waiting for a response from Customs on this also.

Received Communication from Mr. Don Kilfoyl:

Chairman Kilander stated that Mr. Dobberstein distributed copies of a letter received from Mr. Don Kilfoyl dated January 6, 2005.

Mr. Pawluk stated he feels Mr. Kilfoyl's most poignant point in his letter was that because of concern over future noise complaints the Airport Authority is purchasing land that is further out than his.

Attorney Stewart stated the Airport Authority is buying undeveloped land.

Mr. Pawluk stated he can see from the perspective of Mr. Kilfoyl his questioning why the airport does not buy his property. Mr. Pawluk stated the difference between the other land and Mr. Kilfoyl's property is that in relation to the Kilfoyl property the airport has always been here.

Gen. Macdonald stated we went through this the first year he was commander of the Guard and they ended up in court. He stated he goes back to his original thought that we should get an appraisal on what the property is worth and if it seems to be reasonable make an offer, buy the property and get it out of our hair once and for all.

Mr. Pawluk asked if that was the only residence in the area.

Mr. Dobberstein stated he believes there are two other residences in that area.

Attorney Stewart stated there was a lawsuit back in 1967 and the judge's opinion was that if you move to the scene of a problem or nuisance, you take what is there as well as any increase in the nuisance. He stated this matter also came up in 1972 when we were moving over the first phase of the westside development, site preparation and construction of Taxiway A. He stated the Airport Authority was being sued under the Environmental Policy Act and residents in that area testified against us. He stated that lawsuit was thrown out. He stated at that time the Airport Authority offered to entertain moving those properties in about 1973 or 1974 and the idea was to find replacement acreage and we would even move the buildings. Unfortunately, a final agreement with Pat Kilfoyl was never reached so the property was not purchased. He added that it is not as if we haven't tried.

Attorney Stewart stated he can talk to Rose Hoefs about appraisals on the three properties in that triangle area. He stated the City of Fargo did recently purchase some property in that area which was vital to the proposed County 20 project. He stated the improved nature of the Kilfoyl property is the problem. One storage facility was built just within the last couple of years.

Mr. Pawluk stated it is hard for him to see the value to the airport of owning that property. He stated he is not saying that it has no value to us but he would have to be convinced of what that value would be.

The communication from Don Kilfoyl was received and filed.

Airport Construction and Security Update:

Mr. Dobberstein stated he was advised by Roger Kotchitan, FAA Airway Facilities in Fargo, that the FAA has moved up the installation of our ASR11 radar by a couple of years. He stated they will probably begin construction this summer.

Mr. Dobberstein stated this new location of the radar may allow for the construction of the new NDANG aircraft rescue and fire fighting station in the desired location, which previously could not be construction because of the radar system.

The Municipal Airport Authority adjourned the meeting until the Annual Meeting to be held Tuesday, January 25, 2005 at 8:00 am in the Airport Boardroom.

Time at adjournment was 9:18 am.

The Municipal Airport Authority adjourned to executive session to discuss security plan issues per Sec. 44-04-24 and 44-04-26 of the North Dakota Century Code

Annual Meeting

Tuesday

January 25, 2005

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 25, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 11, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held January 11, 2005 were approved without objection.

Approved the Airport Vouchers Totaling \$22,182.03:

Mr. Anderson moved to approve the airport vouchers totaling \$22,182.03.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk and Macdonald voted aye.
Absent and not voting: Clark, Kilander
The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$23,929.17 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 Anderson, Pawluk and Macdonald voted aye.
Absent and not voting: Clark, Kilander
The motion was declared carried.

Approved the Individual Voucher to Foreign Trade Zone Corporation:

Mr. Anderson moved to approve the individual voucher in the amount of \$147.26 to the Foreign Trade Zone Corporation for payment request for services in connection with the foreign trade zone application process.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Clark now present.

Received Preliminary Airport Improvement Fund Statement of Operations for Calendar Year 2004:

The preliminary Airport Improvement Fund Statement of Operations for Calendar Year 2004 was received and filed without objection.

Mr. Dobberstein reported that the Improvement Fund started 2004 with a balance of \$1,794,514.52, had receipts for the year in the amount of \$22,160,356.29 and disbursements of \$21,358,731.23 for an ending balance of \$2,596,139.58. He stated there will be some slight adjustments in interest for the month of December and also some property tax revenue.

Mr. Dobberstein stated these figures are preliminary as they will not be finalized until the audit which is typically completed about mid year.

Mr. Dobberstein stated we did receive our grant distribution for our 2005 entitlement funds which were \$2,082,413.00 and we will be doing the draw down for those funds today so that will also add to the balance. He stated we will also be submitting an application for the discretionary grant of \$1.5 million which we were awarded.

Continued Discussion Regarding Sixel Consulting Group, Inc. Proposal:

Mr. Dobberstein stated Mr. Mark Sixel, Sixel Consulting Group, Inc. provided us with an amended agreement dated January 24, 2005, which contained changes from his original proposed agreement based on discussion at the Airport Authority meeting on January 11, 2005. He stated the primary change was related to discussion on Detroit service and the fact that adding service to Detroit would probably just be shifting passengers from Minneapolis to Detroit and therefore we probably would not net more passengers on Northwest. He stated the question he brought back to Mr. Sixel was whether or not there was another compensation package that could be proposed for that type of increased service. He stated Mr. Sixel prepared an Optional Addendum which includes presentations to Northwest and/or United to add or augment service and if any additional service provided by Northwest or United or its contracted carriers will be exempt from the payment provisions and we will instead be billed at the regular consulting rate of \$125 per hour for lead consultant and \$75 per hour for consulting staff time. He stated Mr. Sixel estimates that each airline presentation would incur time totaling \$11,250 plus \$1,250 for consultant travel. All expenses shall be billed at cost plus 10% with an additional charge of \$1 per printed color page. This is a change in the \$2 per passenger up to \$80,000 for a two year period.

Continued Discussion Regarding Sixel Consulting Group, Inc. Proposal: (Continued)

After further discussion, Mr. Pawluk moved that the Chairman be authorized to sign the Consulting Agreement and Optional Addendum with Sixel Consulting Group, Inc.

Second by Mr. Anderson.

Vice Chairman Macdonald asked if this now gives Mr. Sixel a blank check to go to both Northwest and United, or does he come to us first and tell us what his plans are. He stated his question boils down to the fact that he is a little hesitant about him going to United because he is not sure what hub United has that we would be interested in flying into.

Mr. Dobberstein stated he would recommend that the motion include the caveat that we would require him to get our permission before talking to any airline. He stated we know with Northwest that he will encourage them on Detroit or Memphis, and with United he anticipates Mr. Sixel trying to get them to increase frequency to Denver and also using larger than 50 seat aircraft.

Vice Chairman Macdonald stated he does not have any problem with any of those options.

Mr. Dobberstein stated he is not at all concerned that Mr. Sixel will arrange for service just for the sake of getting his fee and then moving on.

Mr. Pawluk stated our expectation is that Mr. Sixel will be operating in the best interest of the airport and not in the best interest of his consulting firm.

Mr. Anderson stated it seems that Sioux Falls is very happy with the way Mr. Sixel has treated them and the way things are going. He stated they have seen an increase in boardings and the existing airlines have not declined in boardings.

Mr. Pawluk stated this will certainly be interesting that these negotiations with the airlines will be taking place during a time that the legacy carriers apparently have come to the realization that their business model is flawed and we know that there will be some changes. He stated while it could put some services in jeopardy, to our airport and others, it certainly creates some opportunities as more airlines come around to a new way of thinking. He stated he thinks we are doing this at the right time trying to be at the front of the change rather than just trying to adjust to it.

Vice Chairman Macdonald stated his concern is that some of these low cost carriers "cherry pick" routes and they undercut the airlines that are perhaps using the profits from those routes to subsidize some of their other structure.

Mr. Anderson stated there will be issues under this contract that will need to be decided at a later date, for example, advertising and marketing. He stated the contractor also stated that he will "accompany" Fargo officials for presentations to airlines, so it doesn't sound like he is going to do anything without us.

Mr. Dobberstein stated as far as the advertising campaign, whatever Sixel does will compliment what we already have in place.

Vice Chairman Macdonald called for a vote on the motion.

Members Clark, Anderson, Pawluk and Macdonald voted aye.

Absent and not voting: Kilander

The motion was declared carried.

Received Update on Proposed Skycap Service:

Mr. Dobberstein stated the people interested in providing skycap service have delayed their presentation until the February 8 meeting.

Airport Construction and Security Update:

Mr. Dobberstein stated he and Mr. Steve Synhorst, Ulteig Engineers, have been working with Mr. Tom Schauer, FAA Airports District Office, putting together some more refined numbers for the work left to do on this project and trying to add in the west perimeter road. He stated that could qualify for some discretionary funds or use up any funds left over from the grant.

Mr. Pawluk asked Mr. Synhorst for an update on the pending penalties against the contractor for the runway project.

Mr. Synhorst stated there were what he considers delays in the project and the matter is still under discussion with the contractor.

Mr. Synhorst stated this is just a matter of information, but since the board is at the point of preliminary discussions of terminal expansion to accommodate additional airlines and a Customs inspection area, he contacted a consulting firm called URS from Seattle, as they have worked with this firm on airports in Grand Forks, Bismarck and Pierre. He stated this is a very large consulting firm that has a lot of national terminal consulting experience. He stated he forwarded them a copy of the Master Plan showing what is planned for terminal expansion and asked them how much it would cost to look at what needs to be done as far as size, programming etc. He stated their estimate came back at \$97,000, which is higher than he expected. He stated rather than just going to a local architect, this firm would have much broader experience with airport terminals.

Vice Chairman Macdonald stated in our recent correspondence with US Customs it sounds like they would really like to be involved in the planning of any terminal expansion.

Mr. Anderson asked why we would not use a local architect.

Mr. Dobberstein stated when Foss Associates designed this terminal they partnered with two larger outside consulting firms, one for the restaurant and one for the rest of the terminal space. He stated this was just a matter of information for the board members.

Vice Chairman Macdonald stated that even though an expansion project is quite a ways in the future he feels we should press ahead with starting on the project. He stated having a facility for clearing charters through Customs should be one of our goals in the project.

Mr. Dobberstein stated that facility would be able to be a multi-use facility but Customs would have priority use of the space.

Mr. Dobberstein stated some of the most important areas we will need to look at include the airline counters and operations area. He stated if we were to have another airline providing service we would need to displace the people currently using the airline operations space which is the TSA, Northwest Airlines for an employee break room, and our maintenance staff. He stated another major item is the security checkpoint.

Vice Chairman Macdonald stated he feels this comes at an advantageous time when Sixel will be looking at the larger picture of what will be happening at this airport over the next five years.

Mr. Anderson asked how we would pay for a terminal expansion project.

Mr. Dobberstein stated we could use a combination of bonds, PFC funds, a mill levy increase, increase in rental rates and landing fees, etc.

Airport Construction and Security Update: (Continued)

Mr. Pawluk stated he thinks our time frame for terminal expansion will be narrower than five years. He stated he thinks we will have firm plans to begin within the next 24-30 months. He stated he really sees the need being there to direct this project.

Vice Chairman Macdonald stated he likes the flexibility of being able to clear charters through customs in Fargo rather than making another stop.

Mr. Pawluk stated he sees our security checkpoint space being totally changed and the addition of one or two jetways. He stated he sees a significant expansion.

Vice Chairman Macdonald stated we may want to consider locating any additional airlines on the other side of the terminal rather than trying to stack them all at one counter.

Mr. Pawluk stated that is why we need some experts to look at our needs.

Mr. Dobberstein stated we can draw up a request for proposals. He stated we have options.

Mr. Pawluk stated he is in favor of moving forward on the planning process. He stated it takes a long time to plan a project such as this and he would hate to see us in a situation where out of necessity we are rushed.

Vice Chairman Macdonald stated he agrees and stated we may have more information after our meeting with US Customs in the next week or so. He stated we can put this on the agenda for the next meeting.

Vice Chairman Macdonald asked for an update on airport security issues.

Mr. Darren Anderson indicated there was nothing to report at this time.

Elected Chairman of the Municipal Airport Authority for Calendar Year 2005, as per Bylaws:

Mr. Anderson moved to elect Gen. Alexander P. Macdonald Chairman of the Municipal Airport Authority for calendar year 2005, as per bylaws.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

Macdonald passed his vote.

The motion was declared carried.

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 2005:

Mr. Anderson moved to elect Mr. Ken Pawluk Vice Chairman of the Municipal Airport Authority for calendar year 2005, as per bylaws.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

Pawluk passed his vote.

The motion was declared carried.

Adopt Resolution of Appreciation to Outgoing Chairman Mr. Don Kilander:

Mr. Pawluk offered the following resolution of appreciation and moved its adoption:

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

WHEREAS, During the year of Mr. Kilander's chairmanship, the Municipal Airport Authority and Hector International Airport have moved steadily and successfully forward, including the completion of the largest construction project in the airport's history, the reconstruction of the main runway, Runway 18/36, and another year of record setting passenger boardings, and

WHEREAS, Mr. Kilander has labored diligently and given unsparingly of his time and efforts 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. Kilander 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. Kilander.

Second by Dr. Clark.

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

Other Business:

Mr. Pawluk asked for an update on the repaired snow blower.

Mr. Dobberstein stated the snow blower has been working well.

Mr. Pawluk stated he would like to see us do as much as we can to enhance the living snow fence along 19th Avenue North.

Mr. Dobberstein stated we have been working with the City Forester on that project.

Mr. Pawluk stated we should do anything we can to ensure that 19th Avenue North is kept open during winter storms.

The Annual Meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 8, 2005.

Time at adjournment was 8:49 a.m.

Regular Meeting

Tuesday

February 8, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 8, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Airport Vouchers Totaling \$51,912.76:

Mr. Kilander moved to approve the airport vouchers totaling \$51,912.76.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Modern Electric of FM:

Mr. Pawluk moved to approve the individual voucher in the amount of \$643.14 to Modern Electric of FM for electrical portion of door modification, tug concourse area, Westside Terminal.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,020.00 to Sixel Consulting for payment request for quarterly airline report.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,890.60 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$49,940.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the NDANG north and south arresting system project.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Presented Resolution of Appreciate to Immediate Past Chairman Don Kilander:

At the Annual Meeting of the Municipal Airport Authority held January 25, 2005, the Airport Authority adopted a resolution of appreciation to outgoing chairman, Don Kilander. Mr. Kilander was not present at that meeting to receive that resolution so it was again presented at this meeting.

Authorized Attendance at the 77th Annual AAAE Conference, May 1-4, 2005, Seattle, WA:

Mr. Kilander moved to authorize attendance at the 77th Annual AAAE Conference, May 1-4, 2005, Seattle, WA, by board members and staff.

Second by Mr. Anderson.

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

Received Update on Proposed Skycap Service:

Mr. Dobberstein stated the couple that is interested in provided skycap service had asked to be on the agenda for today's meeting but he stated he does not see them present. He stated so far the only correspondence with them is what Darren Anderson has had with them by e-mail. He stated we will continue to keep the board apprised of any updates on the matter.

Received Update on Proposed Vending Operation in the Departure Lounge:

Mr. Dobberstein stated he has had a few conversations with the giftshop operators (Sheryll and Kevin Clapp) regarding vending machines in the departure lounge. He stated Mr. Clapp decided to pursue where Pete Haug (Barnstormer) left off in terms of providing some type of vending service in the departure lounge. He stated Mr. Clapp met with various vendors and he would like to have something in place by March 1. He stated Mr. Clapp is looking at a candy/chip machine and possibly and small bottled beverage machine with soft drinks and water. He stated there are some available outlets in the Gate 1 and 2 areas near the restrooms. He stated the giftshop will handle all of the servicing of the machines and we will receive 10% of the revenue. He stated we will probably look at badging some of the giftshop employees as there is not a high turnaround in those employees, and we will work with the TSA in screening all of the items brought into the departure lounge. Mr. Dobberstein stated he talked with Pete Haug about this and that was more of an investment than he wanted to make at this time and also more than he wanted to bother with as far as servicing the machines. He stated Mr. Clapp estimates his initial investment for the machines will be about \$6,000. He stated he may also consider a hot beverage (coffee, cappuccino) machine and that would double his investment.

Chairman Macdonald stated it would be important that they service the machines only during down times so they are not trying to get through the security checkpoint at the same time passengers are trying to get through.

Without any objection from the board members, Mr. Dobberstein stated the Clapps will give this a try and see how it goes.

Received Communication from ABHN Partnership Regarding South General Aviation Area Hangar Lease Extension:

Mr. Dobberstein stated he received a communication from Mr. Larry Haugen, ABHN Partnership, dated January 30, 2005. He stated the 20 year term of the ABHN Partnership lease will expire on March 1, 2005, and this letter is their formal notice that they wish to exercise their option to extend the lease ten years. Mr. Dobberstein stated the rate for the ground rent will increase from six cents per square foot to eight cents per square foot so the total amount will increase from \$310.80 to \$414.40. He stated they also have a small fuel tank (1,000 gallons) which is used by the members of this partnership. He stated that tank was installed prior to the Airport Authority adopting the policy of self-fueling entities on the airport paying a flowage fee of two cents per gallon so that change will be made to the lease and they will begin paying the fuel flowage fee. He added that last year they pumped a total of 523 gallons so their total fee to the airport would have been \$10.46.

Mr. Dobberstein stated the other change to the lease will be the addition of an environmental clause as we do with all other leases involving fuel tanks. He stated Mr. Haugen provided him with a certificate showing the tank is registered with the state.

Mr. Dobberstein stated the board has the option of either a five or ten year extension. The communication was received and filed without objection.

Received Communication from ABHN Partnership Regarding South General Aviation Area Hangar Lease Extension: (Continued)

Mr. Pawluk moved the Airport authority authorize a ten year lease extension with ABHN Partnership, subject to the change in lease rate from six cents to eight cents per square foot and, and the addition of the two cent fuel flowage fee.

Second by Mr. Kilander.

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

Continued Discussion Regarding Passenger Terminal Modification and Possible Expansion:

Chairman Macdonald stated at the last meeting the board had some discussion on starting to think about terminal expansion. He stated we discussed the possibility of hiring an architect and working with US Customs on the planning and design phase to include space for a Federal Inspection Service station to accommodate international charters.

Mr. Pawluk stated we all anticipate that we will see additional flights in the future. He stated he thinks the time is coming when we are going to be in a space crunch and at the very least we need to have a plan on the table on how to expand the terminal and we will probably want to take one step further and make a timetable. He stated the hard part is taking the next step forward to identify our needs. He stated he is convinced that now is the time that we should be seeking proposals from architectural firms.

Chairman Macdonald stated that working with US Customs will probably involve a lot more than a normal terminal expansion project. He stated it is going to take a period of time to get something done. He stated we are probably a year or more away from doing anything. He stated he would like Mr. Dobberstein to check with the companies that provide charter service to Fargo and find out from them if being able to clear Customs in Fargo would lower the cost of the tickets since they would not have to stop in another city to clear Customs. He stated it seems to him there should be some savings to the customer and that is another reason to press forward with exploring expansion possibilities.

Mr. Pawluk stated he feels we need to do something at the top of the escalator so there is more meet and greet space outside of the departure lounge.

Mr. Dobberstein stated as far as additional gate space and departure lounge space, there are things the airlines can do to work together so that their flight times do not interfere with each other. He added that the biggest thing a consultant will look at as far as design will be the peak times. He stated if you can flush your peaks out by adjusting schedules by as little as 20 or 30 minutes you can even out peak traffic periods.

Mr. Dobberstein stated as far as space for any additional carriers, it may not be necessary to add space for them. He stated that at the Sioux Falls airport Delta has their ground handling done by another carrier as well as America West. He stated that is a common practice with airlines around the country.

Mr. Pawluk asked Mr. Dobberstein if he sees any need for expansion on the east side of the terminal.

Continued Discussion Regarding Passenger Terminal Modification and Possible Expansion:
(Continued)

Mr. Dobberstein stated he does not see any need at this time. He stated it all depends on what any additional carriers will need for ground handling services. He stated some airlines are not in a position to hire a lot of people at every airport they serve. He stated if they can maximize the use of their partners at one airport they probably return the favor in another market. He stated all of those services are contracted.

Mr. Pawluk stated he feels we should plan for at least two additional airlines.

Chairman Macdonald stated he would certainly not go over that number. He stated if we pick up one of the semi-low cost carriers we probably would not pick up a second one.

Mr. Pawluk stated his point is that if we secure one and then we are maxed out then we really don't have any ability to add anything else that might come our way without facing a minimum of an 18 month delay. He stated he feels we want to build a little excess capacity so that we have some options as the market changes. He stated he feels with our current counter space we could accommodate four carriers, however, we would be a little short on the baggage handling and probably gate space. He stated he thinks adding a fifth gate that could accommodate Customs should position us so that we are good for 20 years.

Mr. Kilander stated he agrees it is very important to involve Customs from the start in the design phase. He stated as we learned from our meeting with them recently they are going by "today's rules" but they don't necessarily know what "tomorrow's rules" will be. He stated maybe a straight addition on the end of the building is not the way to go and we should be looking at a separate building connected to this one by a catwalk.

Mr. Anderson asked if we would need to demonstrate need before qualifying for federal funds.

Mr. Dobberstein indicated we would need to demonstrate need.

Mr. Anderson stated it seems to him that if we are going to add on to the terminal it does not make sense that we would add just one gate and one jetway. He stated he feels we should plan big enough for the future as it will be cheaper to build it now than it will be five years from now. He stated if we are at the point where we need another jetway now then we should plan beyond that. He stated he feels we need to hire someone who does that for a living to help us in the planning process so that when we apply for the funding we can prove that the need is there. He stated he would like to see help from professional airport consultants, not just business people.

Chairman Macdonald stated in the one year period ending September 30, 2004 we had almost 270,000 passengers fly out of Fargo. He stated the forecast in our Airport Master Plan for 2005 is 258,000 so we are ahead of the Master Plan forecasts. He stated it is his suggestion that we advertise a request for proposals from architects and then incorporate all of our questions into their mandate to work with airport terminal experts. He stated he agrees with Mr. Anderson that expanding the terminal for only one more gate and one more jetway does not make sense. He stated we do not necessarily need to add the second jetway but we should have the capability to do so at some time in the future.

Mr. Anderson stated if we are going to put out a request for proposals that request should contain some meat about what we want. Mr. Anderson recognized Mr. Rick Engebretson and asked him if he were to submit a proposal on this project would he team up with an expert in the airport industry.

Continued Discussion Regarding Passenger Terminal Modification and Possible Expansion:
(Continued)

Mr. Engebretson stated the first step in a project is to program what your needs are and typically that would come from a consultant that is in the airport industry.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated at the last meeting he presented a preliminary proposal from URS out of Seattle and that is exactly what they do.

Chairman Macdonald stated it seems to him that it would be best for the architect we choose to work with the consultant rather than us working with the consultant trying to thrash things out and then go to an architect. He stated it seems to him that picking an architect first would be better.

Mr. Engebretson stated it can work either way. He stated you may even want to have two RFPs , one just for the consultant and one for the architect that will take over after the consultant is done. He stated it is important to write a good RFP.

Mr. Pawluk stated one advantage to requesting proposals is that we will have firms coming to us with different proposals and ideas and that perhaps gives us a lot of choices we may not have thought about. He stated just the receiving the proposals will be an educational process for us.

Mr. Kilander stated the RFP is an absolute must but we have to know what we are advertising for. He stated to him the consultant is the first step and the decision is whether or not the consultant is retained by the Airport Authority or by an architectural firm.

Mr. Synhorst stated the board could RFP for a consultant to do a terminal study.

Chairman Macdonald stated his concern is that if we hire a consultant and then go out and hire an architect, what happens if there are compatibility problems between the two of them?

Mr. Synhorst stated they have been through this both in Bismarck and in Grand Forks and they actually put out an RFP for an architect and a consultant together in one package. He stated any architect is going to bring in a national consultant for a project like this. He stated national consultants also have specialists in each area, such as just baggage claim. He stated that it would take a local architect to know the local conditions they would be dealing with whereas a national consultant may not be familiar with local conditions.

Mr. Pawluk stated he feels our Airport Master Plan is really the basic blueprint that should guide us. He stated we spent a lot of time and money developing that plan and our growth may have been a little faster than projected but yet he thinks a lot of the areas we have discussed have been identified in the plan. He stated while it may not be specific it should certainly give direction. He added that it is his desire that we have the plan finalized in the next 12 months. He stated we should set the criteria for RFPs and then receive proposals.

Chairman Macdonald suggested that we designate the Executive Director and Mr. Steve Synhorst, Ulteig Engineers, to bring to the board a draft request for proposals for the board to review. He stated that might be a joint RFP for architect and consultant.

Mr. Anderson stated he disagrees and he feels we have to know what we want before we put out an RFP. He stated he thinks we need to have more discussion and determine our needs as he does not feel we have a clear cut understanding of what we need.

Chairman Macdonald stated he does not think the board on its own will ever have a clear cut understanding of what we need because we are not the experts.

Mr. Synhorst stated he would recommend advertising through the AAAE and that is where you will get response from national airport consultants.

Continued Discussion Regarding Passenger Terminal Modification and Possible Expansion:
(Continued)

Mr. Anderson stated he does not want a short term plan and he is not yet comfortable that we know what we need.

Chairman Macdonald stated he agrees completely. He stated the only question in his mind is why not have the architect on board at the same time as the consultant so that they can participate in the terminal building study so that when the study is done they are ready to move. He stated otherwise it seems like we would go from the study with the consultant back out to starting over again to find an architect.

Mr. Synhorst stated he would guess that a national consultant would tie themselves to a local architect anyway.

Mr. Anderson stated he does not have a problem with the team concept. He would really like us to be able to define our needs.

Mr. Pawluk stated that is part of the whole process. He stated the questions are asked during the process and that is how you come up with a recommendation.

Mr. Synhorst referred back to the other two airports in the state going through this process right now. He stated it is called a Terminal Area Study and you bring in a national consultant to study the whole terminal area. He stated this terminal may be deficient in an area that the board doesn't even know about. He stated there are more things to consider than Customs and expanded baggage claim area. He asked what would happen if security were heightened again and we had to enforce the 300 foot rule again?

Mr. Kilander stated it seems reasonable to him that we would have someone locally with whom we could deal on a more intimate relationship because they are members of the community and have them be responsible for chasing down a national consultant and plugging them into what we are doing here. He stated to him it would make no sense to have the RFPs combined.

Chairman Macdonald stated if we hired a national consultant and they team with a local architect for the study and then after the study was complete we start looking for an architect, wouldn't we almost be tied into using that same architect? He stated we may be tied into using an architect that we may not otherwise consider suited for the project.

Mr. Synhorst stated when Ulteig Engineers was hired for engineering services for a five year term at the Bismarck airport part of the process was terminal expansion. He stated they brought in an architect and a national consultant and they went through the study all the way through construction. He stated Grand Forks wants to look at a new terminal so they gave Ulteig Engineers the study part and we brought in a national consultant and an architect and they went out for RFPs as part of their process for any AIP work that requires architectural services. He stated since Ulteig Engineers was already under contract to provide engineering services they did not have to put out an RFP for the national consultant.

Mr. Anderson stated pretty much everyone agrees that at some point a local architect would be involved.

Chairman Macdonald stated he would not be happy with turning the selection of an architect over to a consultant.

Mr. Anderson stated he feels the selection of an architect will be up to the Airport Authority.

Mr. Kilander stated what he is hearing is that we would hire a local architect to bring on a national consultant.

Continued Discussion Regarding Passenger Terminal Modification and Possible Expansion:
(Continued)

Mr. Pawluk stated he has been involved in several projects where proposals have been sought and it has been his experience that you put out an RFP and the architect comes in with their chosen consultant and makes their proposal. He stated he feels that is an educational process and that you get a lot more bang for your buck if they come to you as a group rather than hiring someone, telling them to figure out what you need and then taking it to the next step. He stated he feels it is up to the architect to pair with a consultant.

Mr. Kilander asked Mr. Dobberstein what his thoughts are as he will have to live with it a lot longer than anyone else around the table.

Mr. Dobberstein stated there are a lot of ways to go about this. He stated in the past the Airport Authority has requested proposals from architects, we have hired an architect and they chose the consultant. He stated there are pros and cons either way and either way we will have to interview. He stated as soon as we publish an RFP in the AAEE publications we will have consultants coming out of the woodwork.

Chairman Macdonald stated he would like to see us put out an RFP for an architect and have them bring their choice of a consultant with them and then hire them as a team to develop a plan for our terminal expansion.

Mr. Synhorst stated that under federal guidelines you cannot discuss fees in the proposal process. He stated that selection must be made on qualifications only.

Chairman Macdonald stated the design of the project will be part of the process as he does not think it would be reasonable to re-advertise for the design portion.

Mr. Pawluk stated he has a lot of confidence in the method that Chairman Macdonald is suggesting.

After further discussion, Chairman Macdonald stated at the next meeting the board will receive a draft Request for Proposals from the Executive Director and then adopt or reject the proposal document the first meeting in March.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, stated he did not have anything to report on construction.

Mr. Darren Anderson stated he did not have anything to report on airport security.

Reviewed New Method of Distribution for Agendas and Minutes:

Mr. Dobberstein stated we are currently mailing out agendas and minutes to people requesting them. He stated the staff has reviewed that process and without any objection from the board we will now e-mail what information can be sent that method and all meeting agendas and minutes will be posted on our website for review. He stated everyone currently getting this information in the mail will be receiving a notice.

There was no objection from board members and the change will be effective immediately.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 22, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:15 a.m.

The Municipal Airport Authority adjourned to executive session to discuss negotiation strategy with Attorney Stewart and Executive Director Dobberstein regarding possible land acquisition contracts, as per Section 44-04-19.2 of the North Dakota Century Code.

Regular Meeting

Tuesday

February 22, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 22, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 25, 2005, and the Regular Meeting Held February 8, 2005:

The minutes of the Annual Meeting held January 25, 2005 and the regular meeting held February 8, 2005, were approved without objection.

F-M Chamber President/CEO David Martin Introduced Public Affairs Coordinator, Kelli Poehls:

Mr. David Martin, President/CEO of the F-M Chamber of Commerce was recognized and introduced Kelli Poehls, Public Affairs Coordinator.

Mr. Martin thanked the Airport Authority for its membership in the Chamber of Commerce of Fargo-Moorhead and the cooperation they have with the Airport Authority staff. He indicated Kelli will be working closely with the Airport Authority in the future.

Received Communication Regarding Cass County Drain 10 and 52nd Avenue North Reroute:

The communication dated January 6, 2005 from Moore Engineers, Inc. was received and filed without objection.

Mr. Dobberstein introduced Mr. John Wirries, Moore Engineering, and Mr. Mark Bittner, City Engineer.

Mr. John Wirries, Moore Engineering, was recognized and stated in 1997 the Red River backed up into the city through Cass County Drain 10. He stated the connection between the Red River and Drain 10 is just south of Highland Park. He stated since that time a closure has been put on Drain 10 at Cass County 20.

Received Communication Regarding Cass County Drain 10 and 52nd Avenue North Reroute:
(Continued)

Mr. Wirries stated in 2000 we had the opposite problem and the water could not get out of the city. He stated since that time the Water Resource District, in cooperation with the City of Fargo, has been looking at projects to upgrade this system. He stated a few years ago they did a project on Cass County 20 and upgraded that crossing and put in a closure system on that crossing as well. He stated in 2003 they did the crossing at Cass County 31 so that leaves two crossings remaining, the one at 25th Street and the one at 52nd Avenue. He stated they are hoping to complete the one at 25th Street this year.

Mr. Wirries stated as a result of studies done after the 1997 flood, there is a desire to construct a levy along both sides of County Drain 10 beginning at Cass County 20 as part of this project. He stated the levy on the north side of the drain would not go as far as the south side.

Mr. Wirries stated in order to accomplish this project the Water Resource District will need to procure an additional right of way. He stated if 52nd Avenue to south of the project it would require an additional easement for the road itself. He stated it is the goal to keep the road as close to the project as possible so to disturb as little farm land as possible.

Mr. Pawluk asked why they are not considering putting the road on the levy.

Mr. Wirries stated right now they have a couple of reasons for not doing that. He stated the levy is planned to be 10' at the top and if you put a road on top you would have to be two to three times that width and there would be a lot more earth involved. He stated the second reason is that the levy is not continuous and the crossing does not rise to the same height as the levy today you would then have to try to ramp the road up to get onto the levy and get back down to the height of the existing road. He stated in the future when the levy is complete you could put the road on the levy and it would be more practical at that point.

Mr. Dobberstein state his original reaction when he looked at this with Mr. Wirries back in January was that the alignment of the drain was alright but he has concerns about the road realignment. He stated the FAA has navigational aids in that area to which they need access. He stated he can understand the benefits of not having the culverts and that is a flow issue which he has discussed with Mr. Bittner. He stated he assumes there is a cost issue as well.

Mr. Wirries stated it is both a cost issue and a flow issue plus it allows you to complete both crossings this year as opposed to just one.

Mr. Dobberstein stated he does not like the relocation of the road.

Chairman Macdonald stated his initial thought was to put the bridge on 52nd Avenue and then close 25th Street.

Mr. Wirries stated the answer to that is that 25th Street, which is a gravel road, is used more today than 52nd Avenue, which is a dirt road.

Chairman Macdonald stated that is the reason there is very little traffic on 52nd.

Mr. Wirries stated the City of Fargo has expressed interest in having 25th Street North as being a major corridor in the future and they would probably prefer it being straight.

Chairman Macdonald stated if 52nd Avenue is just a dirt road why does it need to connect to 25th Street, why not just let it end?

Received Communication Regarding Cass County Drain 10 and 52nd Avenue North Reroute:
(Continued)

Mr. Wirries stated that is a question more for the city's Planning Department but as far as he knows it appears they would like to keep that road open as it is a section line road.

Chairman Macdonald stated since there is not going to be any housing along that road, it seems to him that anyone going to that area could continue on County 20 and use the next road.

Mr. Pawluk stated it is a dirt road now without any traffic on it and there will be no housing along that road. He stated a road could always be added at some time in the future if it became a critical issue. He stated when he looks at it he has a couple of questions and concerns. He stated Chairman Macdonald touched on the first one which is in what situation would we need that road for airport operations and the answer seems to be that we probably won't need it. He stated since that area is in line with the runway he sees that as a critical safety area and in the event that an airplane goes down we are putting up even more of a hazard than exists today with a ditch and a levy on either side. He stated the other concern is that the airport is being asked to give up quite a bit of land adjacent to other land that has sold for a considerable sum and he would suspect that when 52nd Avenue is put in we will be assessed significant specials in order for that to go through. He stated perhaps we could negotiate some sort of exemption from the specials in exchange for granting the easement that is required to do this.

Mr. Wirries stated any upgrade would be done to 25th Street before 52nd Avenue.

Mr. Anderson asked Mr. Dobberstein what negatives he sees with the proposed realignment of 52nd Avenue.

Mr. Dobberstein stated it seems like duplication since everything west of the drain to 25th Street will still have to be maintained in order to provide access to the FAA transmitter site.

Mr. Wirries stated the primary reason to eliminate that crossing and reroute the road is financial but also flow. He stated it allows you to open up both crossings at the same time as opposed to doing one now and having to wait to do the other later.

Mr. Pawluk stated there really is no traffic on 52nd Avenue right now.

Mr. Wirries stated there are a couple of residents in the area who use the road.

Mr. Pawluk added that would only be during fair weather anyway.

Mr. Anderson asked Mr. Mark Bittner how the City feels about this.

Mr. Bittner was recognized and stated he was expecting Cindy Gray, Senior Planner, to be here today. He stated he believes this is a land use issue more than a drainage issue. He stated the drainage issue deals with the desire of the Drain Board to improve the capacity of Drain 10 and the City is very supportive of that. He stated from the airport's perspective the primary issue is what to do with 52nd Avenue. He stated Cindy Gray had some concerns about the relocation. He stated essentially the Airport Authority has control of all of the land south of 52nd Avenue and also some interest in the property to the north. He stated if ultimately the Authority is the key property owner on both sides then it is essentially the Authority's decision. He stated he does not see any need for 52nd Avenue from an arterial perspective. He stated if the airport controls the property on both sides then he suspects there will be limited development if any on either side of the road. Mr. Bittner stated they looked at a couple of options, one being to terminate the road using a cul-de-sac to provide access to the FAA facilities. He stated Cindy Gray seems to think there is a need for 52nd Avenue to continue to 25th Street but he stated he does not feel that strongly because if the airport owns the property on both sides there will probably be no development.

Received Communication Regarding Cass County Drain 10 and 52nd Avenue North Reroute:
(Continued)

Mr. Bittner stated his concern about the relocation of 52nd Avenue is that ultimately 25th Street will be an arterial corridor north of County 20 and there are also plans to relocate 25th Street slightly to the west. He stated from their perspective it is their preference to either leave 52nd Avenue where it is or remove it and terminate the road with a cul-de-sac if that will meet the service requirements for the airport and the property owner to the north. He stated they do view 25th Street North as a critical north/south arterial so they want to make sure that has continuity.

Mr. Bittner stated Mr. Dobberstein did indicate a desire to have dikes constructed to contain Drain 10 but all of the property in the area being discussed is in the flood plain and it was all under water in 1997.

Mr. Pawluk stated he feels water storage during a flood event is an appropriate use for that land. He stated this is farm land which is minimally impacted, especially during a spring flood, and as the City of Fargo continues to take more and more acres out of the available pool from which water can be stored during a high water event, it creates more of a problem for the area that would not be enclosed by a levy.

Mr. Bittner stated the question the Authority needs to ask itself is if there is any potential for development along the east side of 25th Street. He stated if there is no development then the levy would provide no benefit to the airport's property. He stated they do anticipate development west of 25th Street and the street itself could be elevated to provide protection to that area. He stated there is no schedule set for improvement of 25th Street but they anticipate as the residential development north of County 22 moves forward they would anticipate doing some sort of rural asphalt paving on that. He stated the long range plan is to see that grow to a three lane concrete roadway with a lane in each direction and a center turn lane, ultimately a five lane but he does not anticipate that traffic would ever grow to that extent.

Mr. Pawluk stated if the Airport Authority holds back on any development of land owned by the airport he does not see the kind of traffic that would support the need for the bigger road surface.

Mr. Anderson asked if this matter is informational at this time or if the Water Resource District is looking for action today.

Mr. Wirries stated the Water Resource District is not looking for action from the Airport Authority today. He stated at some point they will need to ask for right of way for the project in the next month or two, but at this point he just wanted to present the project to the Airport Authority.

Mr. Bittner stated they have not gotten to the point of approaching the property owners on either side of 52nd Avenue North to see what their position would be on terminating the road. He stated obviously the Airport Authority is one of the key property owners but there are others and they have not been approached. He stated that would have to happen first.

Mr. Dobberstein stated he does not foresee this board ever allowing any development off the extended centerline of the runway and that was an issue that was emphasized during the base closing process in which we have been involved.

Chairman Macdonald stated it is his personal opinion that he would be amenable to working out something for the drain, but he is against the relocation of 52nd Avenue at this time, and that is not to say we wouldn't consider something in the future.

Received Communication Regarding Cass County Drain 10 and 52nd Avenue North Reroute:
(Continued)

Mr. Pawluk asked if the reason they are proposing to build the levy now is because they have the dirt available.

Mr. Wirries indicated that is correct. He stated if they did not use the dirt right away they would need to stockpile it.

Mr. Pawluk stated he is not sure why we would want to see the levy built at this time. He stated that area floods naturally and he does not see a significant advantage to taking it out of the flood pool. He stated he would rather not see the levy constructed.

Mr. Dobberstein stated Mr. Bittner referred to the levy and whether or not the fact that every few years that land would flood without a levy in place.

Mr. Bittner stated they have not yet looked at all of the opportunities to protect the property west of 25th Street and they would like to take some time to study that.

Mr. Dobberstein stated it seems to be the consensus that the board is not in favor of rerouting 52nd Avenue. He asked Mr. Wirries when he plans to come back to the board to ask for right of way for the drain project.

Mr. Wirries stated he would need to start that process in about a month.

Received Request to Add Paved Walkways in the Car Rental Lot:

The communication from Danielle Ness, Ness Rent a Car, Inc., dated February 15, 2005, was received and filed without objection. The letter requests the addition of sidewalks behind the rental car lines. She indicates that currently the customers have to stand in the grass or mud to put items in the trunks.

Mr. Dobberstein stated he met last week with Bernie Ness and Danielle Ness regarding this request. He stated this is a request that Mr. Ness has had for some time and he feels it would be appropriate to move forward with at this time. He presented a map of the specific areas to be paved. He stated we have also found that customers will walk out on the road in front of the terminal and if this sidewalk were available it would get the pedestrians off the road.

Mr. Dobberstein stated the grass area has also been a maintenance headache for us because of the narrow area and all of the signs. He stated we have also had some drainage problems in the area since the grass area was constructed after the paved area so we could make some drainage improvements at the same time.

Mr. Dobberstein stated this is a project we can do on an informal basis.

Mr. Pawluk moved the Airport Authority authorize the Executive Director to move forward with obtaining informal proposals for the sidewalk project in the car rental lot and bring proposals before the board at a future meeting.

Second by Mr. Anderson.

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

Reviewed Draft Request for Proposals Associated with Terminal Area Plan:

Mr. Dobberstein stated he and Mr. Steve Synhorst, Ulteig Engineers, have put together a draft Request for Proposals, which he believes will meet the criteria put forth in previous discussions. He stated in essence we will call for a Request for Qualifications from architectural firms with the idea that we will interview architectural firms that will very likely associate themselves with a national firm in terms of terminal area planning.

Mr. Dobberstein stated this document does give the Airport Authority some "outs", for example, we can go through the planning phase, let them tell us what they propose for terminal expansion and we can end the process there, or we can take the next step and enter the design stage and ultimately the implementation stage once we select an alternative.

Mr. Dobberstein stated this is what the board requested at the last meeting so if anyone has any changes or comments those should be made known. He stated we will have a three week advertising requirement.

Mr. Pawluk asked if this is approved today would it be published right away.

Mr. Dobberstein stated it could go in Monday's paper.

Mr. Anderson stated it was his understanding that this document would just be received today and approval would wait for the presence of a full board.

Chairman Macdonald stated that was not his understanding.

Mr. Anderson stated he feels it should be presented before the full board with input from all members.

Mr. Pawluk asked what would change.

Mr. Anderson stated he does not know that anything would change but feels they should have input. He stated he feels the document was well done and does give us flexibility.

Chairman Macdonald stated all we are doing now is advertising, we are not making any decision. He stated he does not have a problem waiting two weeks.

Chairman Macdonald asked if the members present today had any changes to suggest.

Mr. Pawluk stated the absent members would have received this draft in their packets in the mail and knowing they were going to be gone would probably have advised Mr. Dobberstein of any concerns they had.

Mr. Anderson stated he knows that Dr. Clark has been gone for two weeks so she probably has not even seen this yet.

Chairman Macdonald indicated the matter would be tabled until the next meeting and board members should contact Mr. Dobberstein if they have any questions or concerns on the document.

Discussed Airport Tenant Financial Review Schedule:

Mr. Dobberstein stated the Airport Authority a few years ago implemented a schedule for conducting financial reviews on the airport tenants. He stated the car rental agencies were scheduled to be reviewed last year again but because of extremely busy schedules last year we were not able to arrange for those reviews so without objection this year we will try to do some catch up and do the car rental agencies as well as the next in the rotation.

No objection was voiced so Mr. Dobberstein indicated he would contact EideBailly to begin that process.

Received Communication from the FAA Advising of the Decommissioning of the Non-Directional Beacon (NDB) Procedure:

The communication from FAA dated January 31, 2005 was received and filed without objection.

Chairman Macdonald stated the communication states the FAA will shut down the non-directional beacon and as such the non-directional approach to Runway 17.

Mr. Pawluk stated he read the letter to say that they "might" shut it down and there was opportunity to comment.

Mr. Dobberstein stated he talked to Mr. Gary Ness, ND Aeronautics Commission, and he indicated there were a number of the airports in the state that received the same letter. He stated he also talked to the local representative of the AOPA (Ron Saeger) as well as some other pilots and flight instructors on the airport and no one has expressed any concern about this going away.

Mr. Pawluk stated if the flight instructors and the Aeronautics Commission don't have any objection to this we don't really have any basis to ask them to keep it.

Mr. Dobberstein stated he does not have any concerns.

Chairman Macdonald stated the Airport Authority will not express any opinion to the FAA on the decommissioning of the non-directional beacon procedure.

Reviewed and Accepted Informal Bids to Replace Airport Operations Vehicle:

The memo dated January 24, 2005, from Darren Anderson with informal bids from six dealers for the replacement of the airport operations pickup was received without objection.

Mr. Dobberstein stated that a few meetings ago the Airport Authority approved the replacement of a pickup for the airport operations staff. He stated Darren Anderson has been working on this for the past few weeks. Mr. Dobberstein stated the last few pickups we purchased were right from the dealer with the North Dakota state bid for that particular year. He stated this year Nelson Dodge/GMC in Fergus Falls has the ND state bid but Darren Anderson chose to get prices from local dealers as well. Mr. Dobberstein stated the board can either chose to go with the state bid from Nelson in Fergus Falls or pay about \$1,200 more and purchase it from the local low bid which was from Gateway Chevrolet.

The item was tabled until later in the meeting so that questions could be asked of Darren Anderson.

Chairman Macdonald returned to the item although Mr. Darren Anderson was not present.

There was a question as to the difference in the vehicles bid by four of the dealers as the vehicle numbers differed slightly, CK15753, TK15753, TK15753 and TK15763. (It was later determined that they were all the same vehicle, the 15763 way a typographical error.)

After further discussion, Mr. Pawluk moved to approve the purchase of the vehicle from the low bidder (Nelson Dodge/GMC – Fergus Falls, MN) subject to the confirmation that the vehicle is the same as bid by the local low bidder and if it was not the same vehicle to make sure we are comfortable with the reason for the difference.

Second by Mr. Anderson.

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

Reviewed Photo/Wallpaper Options for Baggage Claim Back Wall Areas:

Mr. Dobberstein stated Interspace Airport Advertising is working on the upgrade to the advertising in the baggage claim area and they are anxious for the board to choose two photographs to be used as backdrops/murals in conjunction with the new electronic scrolling advertising signs.

After some discussion, Mr. Pawluk suggested Chairman Macdonald be authorized to make the selections for pictures in the baggage claim area.

Mr. Anderson agreed.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the FAA has fixed the problem we had been having with the glide slope, which had been an issue for a while. He indicated he had nothing else to report on construction projects.

Mr. Bernie Ness was recognized and thanked the board for the lighting project in the south general aviation area. He stated it was a tremendous improvement and is greatly appreciated.

Other Business:

Mr. Dobberstein stated he and David Martin (Fargo-Moorhead Chamber of Commerce) and Brian Walters (Fargo-Cass County Economic Development) met up with Mark Sixel, Sixel Consulting Group, in Phoenix last week for a meeting with America West Airlines. He stated America West does have an interest in our market and initially it could be one flight a day as they did in Sioux Falls. He stated their interest may or may not depend upon the receipt of a small community air service grant, for which we will apply. He stated the amount we will request in the grant is yet to be determined but it will be below \$500,000. He stated that amount also needs to have a 10% match from the community, not the airport. He stated it would have to come directly from businesses. He stated our goal is to come up with a \$50,000 package from local businesses and he will work together with Mr. Martin and Mr. Walters on that. He stated he thinks the grant can be used for start up costs for an airline such as relocating equipment, renovating office space, counter space, etc. He stated we are the ones who reimburse the airlines for those costs and we then draw down from the grant as we do with our construction project.

Mr. Dobberstein stated there is no doubt that the 4th and 1st quarters of the year for Fargo-Phoenix service will be successful, but there is concern about the 2nd and 3rd quarters. He stated there are a number of local businesses with connections in Phoenix. He stated they would also anticipate traffic connecting through Phoenix to other southwest location and also Mexico.

Mr. Dobberstein stated if we are not successful in obtaining the grant then we will need to re-evaluate where we go from there.

Mr. Pawluk asked Mr. Dobberstein if he was comfortable with the way Mr. Sixel handled the meeting.

Other Business: (Continued)

Mr. Dobberstein stated absolutely. He stated Mr. Sixel has a lot of respect from the aviation planners around the country. He stated so far America West has exceeded their expectations in Sioux Falls. He stated they were surprised to hear that there are 25,000 college students in Fargo-Moorhead with others in Valley City, Jamestown, Grand Forks, etc. He stated college students are a big draw for them. He stated they know that people around here will drive two or three hours to get to the airport.

Mr. Pawluk stated he thinks the Mexican connection is exciting and probably has a lot of potential we have not considered.

Mr. Dobberstein stated the meeting was encouraging.

Mr. Dobberstein stated the next meeting is with Northwest Airlines on March 2, then with Delta later in March, and we are still waiting on a date to meet with United.

The meeting was adjourned until the next regular meeting to be held Tuesday, March 8, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:10 a.m.

Regular Meeting

Tuesday

March 8, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 8, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 22, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held February 22, 2005 were approved without objection.

Approved the Airport Vouchers Totaling \$29,725.78:

Mr. Anderson moved to approve the airport vouchers totaling \$29,725.78.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$15,239.93 to Ulteig Engineers, Inc. for partial 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 Clark, Kilander, Anderson, Pawluk and Macdonald voted aye.

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

Approved the Individual Voucher to Foreign Trade Zone Corporation:

Mr. Kilander moved to approve the individual voucher in the amount of \$73.58 to the Foreign Trade Zone Corporation for payment request for costs associated with the Foreign Trade Zone Application.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Kilander moved to approve the individual voucher in the amount of \$334.94 to Sixel Consulting Group for payment request for costs associated with meeting with America West Airlines.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Kilander moved to approve the individual voucher in the amount of \$4,725.00 to Sixel Consulting Group for payment request for professional services in connection with airline consulting services.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$6,471.40 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to S&L Computer Services:

Mr. Kilander moved to approve the individual voucher in the amount of \$720.00 to S&L Computer Services for payment request for installation of computer equipment in conjunction with the SCAN System for Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Pawluk.

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

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

Approved Individual Voucher to Sixel Consulting:

Mr. Kilander moved to approve the individual voucher in the amount of \$131.00 to Sixel Consulting for printing costs associated with airline consulting services.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Sixel Consulting:

Mr. Kilander moved to approve the individual voucher in the amount of \$14,178.54 to Sixel Consulting for payment request for professional services in conjunction with the Northwest Airlines presentation.

Second by Mr. Pawluk.

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

Continued Discussion Regarding Proposed Request for Qualifications for Passenger Terminal Expansion Project:

Chairman Macdonald stated at the last meeting the Airport Authority received a draft copy of the Request for Qualifications for architectural services for the proposed passenger terminal expansion project. He stated the matter was delayed at the last meeting until a full board was present.

Mr. Pawluk moved the Municipal Airport Authority adopt the Request for Qualifications for Architectural and Planning Services for Passenger Terminal Expansion as presented and that we move forward with the next step in the process.

Second by Dr. Clark.

Mr. Dobberstein stated the dates in the document will be adjusted accordingly. He added there has already been a lot of interest shown in this project.

Dr. Clark asked where the request would be advertised.

Mr. Dobberstein stated it would be in the legal section of The Forum and also probably in a publication called the Construction Bulletin, which is a Minneapolis publication. He added that if we published the request in the AAAE publications we will receive cart loads of proposals.

Mr. Pawluk stated he feels we should just advertise it locally because to advertise it regionally or nationally invites so many proposals that would have to be gone through. He stated there are many qualified local firms which will retain the specialized expertise of national consultants. He stated he does not know why we would want to go out so far.

Mr. Anderson stated there is no question there are many qualified local architects.

Chairman Macdonald called for a vote on the motion.

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

Received Update on Flight Information Display System:

Mr. Dobberstein stated that Darren Anderson provided the board members with a summary of our flight information display system. He stated the two year contract ended January 30 and we are now obligated to pay \$1,000 per month for them to provide the service. He stated they do offer a 10% discount if we pay the entire annual fee up front. He added that right now this is the only company providing this service but Darren will continue to seek out other sources to provide this service.

Mr. Dobberstein stated the flight information display system also plays an important role in our marketing program as our advertising on radio refers to the website and the flight information available. He stated there is also a phone link to the information when you call the information center and no volunteers are available to take your call.

Mr. Darren Anderson was recognized and stated we are currently working with a company called Cinergy and they actually get the information from another company so it may be possible at some time in the future to eliminate the middle man. He added that this is a new market for everyone.

Received Update on Lower Level Ticket Counter Project:

Mr. Dobberstein stated that after the ticket counters on the lower level were moved out six feet we anticipated a problem again with the sun bothering the employees behind the ticket counter. He stated before the counters were moved we had put shields in place to solve the problem but those were removed when the counters were moved. He stated we have now received a communication from Workforce Safety regarding the results of their recent site assessment. He stated their communication dated January 26, 2005 indicates both the Northwest and TSA employees have complained of eye strain and headaches from sun coming through the south windows. He stated their letter indicates the solution should be the responsibility of the facility owner.

Mr. Dobberstein stated he and Mr. Darren Anderson contacted Terry Stroh, TL Stroh Architects, to come up with some way to mitigate the occasional problems we have with the sun.

Mr. Terry Stroh and Mr. Brad Neuerberg, TL Stroh Architects, were recognized and Mr. Stroh stated they have used some technology available to them with which they build a model of any building in any city in the world, input longitude and latitude information, and it can show the direction of the sun at any day of the year and time of the day. He stated the angle of the sun usually causes problems between October 1st and March 15th each year.

Mr. Stroh stated they came up with three solutions to the problem:

- Option #1 - Manual blinds on 113 windows
 - \$14,000
 - maintenance staff will need to open and close the blinds two times a year.

- Option #2 - Motorized blinds on 113 windows
 - \$65,000

Received Update on Lower Level Ticket Counter Project: (Continued)

- Option #3 - Hanging shading device over ticket counters
- \$31,850
- almost no maintenance
- gives a sense of place

Mr. Stroh stated for Option #3 they designed the hanging shade devices made out of a sandblasted aluminum unistrut suspended with aircraft wire and the shades themselves would be made out of a plexiglass type material which comes in 4' x 8' sheets with spacing of about 2.5 feet between each shade structure. He stated they would be at a height which would not interfere with 6'8" person with his arm extended up. Mr. Stroh gave a power point demonstration simulating the time of the day when the problem is the worst. Mr. Stroh stated they liked the sense of place that these devices provide the ticket counters. He added that if the counters had to be moved again these frames could be adjusted.

Mr. Kilander asked the reason for the space left between the structures.

Mr. Stroh stated this was their initial interpretation of what was needed and it can certainly be adjusted.

Mr. Pawluk stated he also likes the sense of place this option creates.

Mr. Anderson suggested we have a prototype before we move ahead with the entire project.

Mr. Stroh stated he thinks that would be a great idea, however, we would have to have the prototype up from October to March to really tell us if it is going to work.

Mr. Pawluk stated this is the first we have seen this proposal and he does not want to make a decision today. He stated he likes the look of the hanging shade structures but he thinks the only permanent solution is the motorized blinds.

Mr. Stroh stated what will happen with the blinds is you will end up replacing having to replace them on occasion as they are a pleated shade and since there is no way to really clean them other than vacuum them they will deteriorate over time.

Mr. Darren Anderson stated the blinds that were removed a few years ago were removed because they were starting to fail and the material had rotted away.

Mr. Pawluk stated he likes the look of what Mr. Stroh is proposing and he likes the benefits, however, he is reluctant to suspend a structure above where there are people.

Mr. Stroh stated he agrees we certainly have time as the problem will be gone in a couple of weeks until October.

Mr. Kilander stated we certainly have to react to the letter we received from Workforce Safety and move forward with something. He stated from an aesthetic aspect he thinks Mr. Stroh's solution is the most logical. He stated as far as the motorized shades, cleaning is only part of the problem. He stated you are always going to have problems with the motorized mechanisms, plus you will have to run the electrical wiring for installation. He stated as far as the manual blinds vs. the motorized blinds the only thing you are saving is the installation of the electrical wiring. He stated those blinds will deteriorate after time as well.

Received Update on Lower Level Ticket Counter Project: (Continued)

Mr. Kilander moved the Airport Authority authorize TL Stroh Architects to move ahead with the building of two prototypes of the proposed shade structures for the ticket counter area.

Second by Dr. Clark.

Mr. Stroh stated they will do some more research and if there are changes to be made they will incorporate those before the prototypes are built. They will do some more research on the area in which the screeners behind the ticket counters stand.

Mr. Stroh stated they will report back to the board before the prototypes are actually built.

Chairman Macdonald called for a vote on the motion.

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

Received Request from the National Guard Bureau Regarding Construction Cooperative Agreement:

Chairman Macdonald stated we have received a Statement of Work from the North Dakota Air National Guard regarding the installation of fence along 23rd Avenue North.

The communication was received and filed without objection.

Chairman Macdonald stated this proposed agreement asks the Airport Authority to construct the fence that will enclose the area now bound by concrete barriers, and then they will reimburse us. He stated the reason for this method is that the Guard cannot authorize work done on someone else's property, however, they are able to pay for the work to be done.

Mr. Pawluk moved to authorize that the Airport Authority move ahead with the fence project as proposed in the NDANG's Statement of Work, subject to the approval of Attorney Stewart after his review of the document.

Second by Mr. Kilander.

Mr. Dobberstein stated upon Attorney Stewart's approval of the document he will turn the project over to Ulteig Engineers to get informal proposals.

Mr. Pawluk stated he really likes Ulteig Engineers and thinks they are just the best, but he thinks there are some projects around the airport that we should spread around to other firms.

Chairman Macdonald stated we can't hire any other firms as the Airport Authority hired Ulteig Engineers for a five year term.

Mr. Pawluk stated that is not his understanding. He stated he has other engineering firms asking him all the time why we can't spread the work around a little more. He stated his bringing this matter up does not in any way imply that he has any problem with Ulteig Engineers. He stated he thinks they are probably the best engineering firm in the state, but we do a lot of work here and he would like to see us spread the work around a little.

Chairman Macdonald asked Attorney Stewart to research our contract with Ulteig Engineers and report back to the board.

Chairman Macdonald called for a vote on the motion to move ahead with the fence project for the NDANG.

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

Other Business:

Mr. Dobberstein stated he received by e-mail the draft of our Foreign Trade-Zone Application. He stated he will edit that document and advise the Foreign Trade Zone Corporation of any changes. He stated it is about 100 pages and is a very involved document.

Mr. Pawluk asked for an update on Customs with regard to area businesses having shipments cleared in Fargo rather than some where else in the country.

Mr. Dobberstein stated there have been no changes but they are having ongoing conversations with companies such as Case, Bobcat, Smurfit-Stone Container.

Mr. Dobberstein stated as far as the letter from Customs authorizing the local agent to resume conducting clearances at sites on the airport other than their office, we still have not received that letter. He stated Congressman Pomeroy's office has contacted US Customs in Pembina to move that along and unless their Seattle office shoots this down but they do not anticipate that.

Mr. Dobberstein stated we did encounter another problem we encountered last week with the Winnipeg cargo flight. He stated that flight ceased last week due to a technology issue between Perimeter Airlines and Perolator, the Canadian competitor to DHL. He stated apparently this was not a problem before Airborne sold the ground delivery portion of their business to DHL. He stated the latest update he has received is that Airborne will route an aircraft (DC-9) through Fargo into Canada so their need for Customs will continue. He stated hopefully they will add a second flight.

Mr. Dobberstein stated that last week we received word from both Pomeroy and Conrad's office that the Fargo air traffic control tower is one of 41 towers that the FAA analyzed for possible closure from midnight to 5:00 a.m. each day. He stated this information was gained from a staff report within the FAA and nothing formal has yet worked its way up through Congress. He stated they informed us so that we may get in contact with users in order to turn up the heat and have them get off letters of concern to the FAA and the congressional delegation. He stated we have contacted all of the major users in place to communicate their concerns.

Mr. Anderson adopted the following resolution and moved its adoption:

WHEREAS, The Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the Federal Aviation Administration's intentions to review the need for 24 hour air traffic control service at Hector International Airport, and

WHEREAS, The Federal Aviation Administration is considering the reduction in hours for the air traffic control tower from 24 hours, to hours of operation between 5:00 a.m. and midnight, with the tower being closed for the hours between midnight and 5:00 a.m. each day, and

WHEREAS, The Municipal Airport Authority has major concerns the effect a change such as this would have on the levels of service and safety to the airport as well as the impact on the aviation community over a widespread area, and

WHEREAS, The Municipal Airport Authority feels it is imperative that we maintain the current level of safety and service the 24-hour control tower facility provides to the aviation community.

Other Business: (Continued)

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority of the City of Fargo does hereby go on record as opposing any change in the 24-hour operation status of the FAA Air Traffic Control Tower at Hector International Airport in Fargo, North Dakota.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that certified copies be sent to the Federal Aviation Administration and the members of the North Dakota Congressional Delegation.

Second by Mr. Pawluk.

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

Mr. Dobberstein stated one matter that was discussed at the North Dakota Aeronautics Commission's open forum at the Upper Midwest Aviation Symposium was internships for airport management positions. He stated since 1991 we have had three internships, one student from St. Cloud State and two from UND. He stated there has always been ongoing discussion from UND to partner with North Dakota airports to provide internships. He stated they are proposing that the eight commercial service airports in North Dakota create three month intern positions paying \$8-\$10 per hour for a 40 hour week, with half of the cost being paid for by a grant from the North Dakota Aeronautics Commission and the Airport Association of North Dakota. He stated that is certainly something we can consider doing. He stated in the past our internships have not been paid with the exception of one who received \$500. He stated they were non-paid because they received airport experience and exposure and were basically a shadow.

Mr. Dobberstein stated the Aeronautics Commission wants to know if we are interested, and we are interested in fostering students' exposure to the aviation field. He stated we have a lot of high school and college students who come out or call on the phone to work on school projects. He stated we also have groups of students from UND who come for tours of the airport.

Mr. Dobberstein stated our responsibilities would be to select an intern from a pool of applications, provide their workers compensation insurance, pay their fair share of the program as determined by the Aeronautics Commission, train and mentor each student in accordance with the internship curriculum template which would be provided by UND, help in finding suitable/affordable housing in the particular market and negotiate a three month lease. He stated each airport would receive one internship per year (summer, fall or winter semester) and would turn in a request for the position and funds to the NDAC and the AAND, and then at the end of the internship fill out an evaluation in order to effectively evaluate and assess the program.

Mr. Dobberstein stated among the staff members we can probably find things for the intern to do, however, we might also be able to share the intern with other area airports such as Casselton, Kindred, West Fargo, to assist in projects they may have.

Mr. Kilander stated he feels it is an important investment in the industry. He stated these young people would be in the community for only three months but they do need to eat and probably have few options on how to supplement their income. He stated he would have no problem at all being part of the program and would encourage it.

Other Business: (Continued)

Mr. Anderson stated he would agree with Mr. Kilander. He stated if you were to check with private industry you would see that it happens all of the time. He stated his business has at least two architecture/construction management students interning every summer and some even work part time throughout the year.

Mr. Dobberstein asked Mr. Darren Anderson to comment.

Mr. Darren Anderson stated he is constantly asked by people at UND about internships. He stated if UND had criteria of what they want the student to accomplish he thinks it could be done, but for us to sit down and figure out what they should be doing is a different story.

Dr. Clark stated that NDSU does internships with all of their programs and she stated it should not be up to the airports to set the criteria, that should be done by UND. She stated she does support paying them, however, it should not be up to the airport to find them housing as the student also needs to gain that experience for themselves. She stated it would be a good idea to go through the requirements.

Mr. Pawluk stated he does not think there should be restrictions on what you can and can't have them do. He stated the airport would need that flexibility.

Dr. Clark stated it if is truly an internship they will get the broad exposure.

Mr. Pawluk stated he is in favor of internships and they should be done where they can. He stated in our case, there are only three people in the office and he thinks it creates a lot of work for them.

Chairman Macdonald stated it seems to be the consensus of the board that the members are in favor of the concept of internships and that the Executive Director be authorized to make the final decision.

Chairman Macdonald stated during the Upper Midwest Aviation Symposium he met with Mr. Gary Ness, Executive Director of the North Dakota Aeronautics Commission, and he expressed to him that Fargo is fortunate to have Shawn Dobberstein and Darren Anderson with the organization.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 22, 2005 at 8:00 a.m.

Time at adjournment was 9:13 a.m.

Regular Meeting

Tuesday

March 22, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 22, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Pawluk presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 8, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held March 8, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$33,675.22:

Mr. Anderson moved to approve the airport vouchers totaling \$33,675.22.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to RM Hoefs Associates:

Mr. Anderson moved to approve the individual voucher in the amount of \$500.00 to RM Hoefs Associates for payment request for property appraisal review.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to S&L Computer:

Mr. Anderson moved to approve the individual voucher in the amount of \$720.00 to S&L Computer for payment request for computer equipment for SCAN system in conjunction with the Runway 17/35 Reconstruction Project, AIP29.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$2,544.12 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP29.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Foreign-Trade Zone Corporation

Mr. Anderson moved to approve the individual voucher in the amount of \$30,000.00 to the Foreign-Trade Zone Corporation for payment request for professional services in conjunction with the foreign-trade zone application, due upon preparation of draft application and upon submission of application.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Discussed Request for Temporary Use of Eastside Terminal Space:

Mr. Dobberstein stated he does not have an actual written communication from the North Dakota Air National Guard but both he and Darren Anderson have had a number of meetings with them as well as the Grand Forks Air Force Base regarding the use of some space in the Eastside Terminal this summer because of the runway project at their base. He stated they have requested gratis space in the Eastside Terminal starting sometime soon and possibly going through November. He stated they had a similar operation about ten years ago where they had to locate some of their aircraft here.

Mr. Dobberstein stated the space will be the space formerly occupied by Dakota Air Parts and granting this request will not cause us any hardship.

Discussed Request for Temporary Use of Eastside Terminal Space: (Continued)

Mr. Kilander moved to approve the request from the Grand Forks Air Force Base for temporary gratis use of space in the Eastside Terminal.

Second by Mr. Anderson.

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

Received Preliminary 2004 Statement of Operations:

The preliminary 2004 Statement of Operations was received and filed without objection.

Mr. Dobberstein stated this statement is preliminary and not yet audited so there will be changes. He added that the audit typically is not completed until about June.

Airport Construction and Security Update:

Mr. Dobberstein stated we received a communication dated March 11, 2005 from Mr. Steve Obenauer, Manager, FAA Airports District Office in Bismarck, advising that the FAA has approved an allocation of \$1.75 million toward our Runway 17/35 Reconstruction Project. He stated these funds will help us facilitate the completion of the interior perimeter road for safety purposes. He stated for about three days last week the FAA hosted a number of meetings on runway safety with a number of regional FAA officials and users of the airport. He stated the completion of the perimeter road will help decrease the need for vehicles to cross runways which will also decrease the probability of vehicle/aircraft incidents. He stated the completion of the perimeter road this year will give us access around the entire perimeter of the airfield without needing to cross any runways.

Mr. Steve Synhorst, Ulteig Engineers, stated the work this year will be completed as a change order to the original contract based on the unit costs. He stated when we started the project it was not our goal to include the completion of the perimeter road, but as we looked at it with the FAA representatives we decided to construct the south perimeter road as long as the runway was closed for reconstruction. He stated after the safety meetings last week, the tower has indicated they would like the perimeter road to continue north so that vehicle traffic can go from the south general aviation area all the way to the north general aviation ramp with one clearance from the tower. He stated they still have some engineering work to complete before they will bring this before the Airport Authority for approval of the change order.

Mr. Dobberstein asked Mr. Synhorst to give an update on the bridge on 32nd Avenue North and the Cass County Drain Board Meeting.

Mr. Synhorst stated that Mr. Jon Scaper from their office went to the Water District meeting recently. He stated the bridge that goes across Cass Country Drain #3 has been a thorn in our side for a number of years as we have always wanted to use the road as access for construction projects on the east side of the airport but the weight limits on the road are such that a heavy pickup is about all you can drive on the road. He stated they went to the Cass County Drain Board with a proposal to tear the bridge out and replace it with a 72" culvert and the proposal was approved by Mark Bittner,

Airport Construction and Security Update: (Continued)

City Engineer. He stated this will help facilitate access to the cemetery and also give us access to Taxiway B to finish the construction on Taxiway E. He stated in our discussions with Shafer Contracting it appears that putting in the culvert vs. constructing a temporary road to the construction site will be a wash as far as cost. He added that the Water Resource District has agreed to pay for half of the cost of the project.

Mr. Synhorst introduced Ulteig employee, John Tonneson, who is their GIS Coordinator.

Mr. Tonneson was recognized and explained what they are able to do with Geographic Information Systems to assist airports and local planning departments as far as integrating all of the Part 77 (airspace information) in 3-D and tying it into the planning department for a city. He stated airports have very stringent requirements as far as height restrictions, etc., and having this information available to a city's planning department would allow them to take a proposed construction project, locate it on a point on the map and see if it would penetrate any of the airport's surfaces. He stated it essentially takes what is now a 60 day process and turns it into a three minute process.

Mr. Anderson asked if that is sufficient information on which the FAA would base approval for a project.

Mr. Synhorst stated Mr. Tonneson is working to develop a program with which you can actually fill out the FAA's required form (Notice of Proposed Construction or Alteration). He stated they have been asked many times by the City of Fargo's Planning Office how they can take the airport's Master Plan and use it as an overlay to see how the surrounding area is affected.

Mr. Anderson stated you would still have the waiting period for the FAA's approval.

Mr. Synhorst indicated that is correct but it makes the planning process a lot simpler.

Mr. Anderson asked how this project would be funded.

Mr. Dobberstein stated this type of project is eligible for FAA funding and it is probably something we would incorporate into our next Master Plan Update.

Mr. Synhorst stated Mr. Tonneson worked on a similar project for Rapid City and it worked well for them and now Fort Wayne is also looking at this project.

Mr. Synhorst stated as far as the current project, they will be meeting with Shafer and Strata at the end of the month to resolve some issues.

Mr. Darren Anderson stated he did not have anything to report on airport security.

Other Business:

Mr. Dobberstein stated we have received word that the FAA is again looking at minimizing hours of service at air traffic control towers across the country. He stated the Fargo tower is again on that list, as it was in 1993 and 1998, and we are in the process of rallying the support of users and having them write letters to the FAA, ND congressional delegation, etc., relaying the importance of keeping the tower in Fargo open 24 hours a day. He stated he will keep the board informed on the matter.

Other Business: (Continued)

Vice Chairman Pawluk presented the board with the plaque received from the North Dakota Aeronautics Commission and the Airport Association of North Dakota naming Hector International Airport the 2004 commercial service airport of the year.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 12, 2005, at 8:00 a.m.

Time at adjournment was 8:33 a.m.

Regular Meeting

Tuesday

April 12, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 12, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 22, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held March 22, 2005 were approved without objection.

Approved the Airport Vouchers Totaling \$41,364.73:

Mr. Pawluk moved to approve the airport vouchers totaling \$41,364.73.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,131.43 to Sixel Consulting Group for payment request for expenses in connection with the Delta Airlines presentation, Atlanta, GA.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$9,403.58 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Dakota Fence:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,726.79 to Dakota Fence for payment request for security fence modification.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$176.79 to Forum Communications for payment request for publication of Request for Qualifications from architects for terminal expansion project.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Clark now present.

Received Communication from US Customs:

The communication from Mary Delaquis, Port Director, Pembina, US Customs, dated March 30, 2005, was received and filed without objection.

Mr. Dobberstein stated the letter addresses the accommodation to be made for US Customs to make inspections on the airport at locations other than the Customs office. He stated all of this information has been provided to both Fargo Jet Center and Fargo Aero Tech. He stated we have been working with Jerome Hicks in the Roseau office, which is who our local agents report to, as far as the specific items which will be needed at a remote location (dedicated phone line, furniture, partitions, surveillance cameras, etc.) He stated it is his understanding that Fargo Jet Center has their facility complete, with the exception of the dedicated phone line which, when installed, will be tested by someone from US Customs.

Mr. Pawluk asked if the reaction has been positive.

Received Communication from US Customs: (Continued)

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated once everything is in place they will be sending notices to their customers and try to get back the customers they have lost due to the change.

Received Notice from Elite Lighting Regarding Notice to Vacate Eastside Terminal Office Space:

The communication from Elite Lighting dated March 28, 2005, was received and filed without objection.

Mr. Dobberstein stated that Elite Lighting has been leasing space in the Eastside Terminal for the past couple of years and they are now providing 30 days written notice of their intentions to terminate the lease effective April 30, 2005.

Received Communication from Smarte Carte, Inc.:

The communication from Smarte Carte, Inc. was received and filed without objection.

Mr. Dobberstein stated our lease with Smarte Carte, Inc. for the luggage cart system has been in place for a number of years and the term of the current agreement expires on May 15, 2005. He stated Smarte Carte, Inc. is requesting a lease extension of automatic one year terms unless terminated by either party, by giving written notice of not less than ninety (90) days before the end of the then-current term. He stated we do receive 10% of the revenue but we have the cart system in place more for a customer service than a revenue source. Mr. Dobberstein stated he would recommend approving this lease extension.

Mr. Kilander moved to approve the extension of the lease with Smarte Carte, Inc. as proposed.
Second by Mr. Anderson.

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

Reviewed Request from Fargo Park District to Lease Airport Property:

Mr. Kilander moved to approve the request from the Fargo Park District to lease airport property for park sites.

Second by Mr. Pawluk.

The communication from Mr. Dobberstein dated April 8, 2005, along with an aerial photo were received and filed without objection.

Mr. Roger Gress and Mr. Dave Leker, Fargo Park District were recognized. Mr. Leker stated they have had requests from neighborhoods on the north end of town to develop a park in the general area north of County 20. He stated in addition to the developments already in place, EidCo. will be development a residential area a little further north and west. He stated their first idea was to put a single park along County Road 20 and North University Drive. He stated they met with the neighborhoods and felt with the proposed pedestrian underpass that both neighborhoods would be able to access the park equally. He stated the neighborhoods still expressed concern over kids trying to cross County 20 and the safety concerns.

Mr. Leker stated they are now looking at two separate locations, the first being just north of the trailer park and directly west of the water treatment plant, and the other being along the river between

Reviewed Request from Fargo Park District to Lease Airport Property:

North University Drive and County Road 31 (16 acres of Marcil farmstead recently purchased by the Airport Authority). He stated they have also been working with Arnold Larson who will be developing some of the area east of the site and they are working on a transportation enhancement grant for a recreational trail from the residential areas to the park.

He stated even though the north park is quite a bit larger than the south park (16 acres vs. 7 acres) they will both include space for soccer/football fields, basketball courts, playground, shelter, etc. He stated the neighborhoods also asked that the two parks be developed at the same time so that kids are not crossing County 20 if their park is not done. He stated the Park Board has approved the plan, contingent upon the Airport Authority's approval, and they are looking at development of the parks within the next two to four years, contingent upon negotiation of lease as the land is currently leased by tenant farmers.

Mr. Pawluk stated he would like to see signs at both parks acknowledging that the parks are on airport property as a statement to the area residents that the airport is a good neighbor.

Mr. Gress stated he agrees and in their meetings with the neighborhoods they explain to the residents that the airport's mission must come first but if there is a possibility of using airport land the airport has always been good about working with the Park District, and the Pepsi Soccer Complex is a good example of that.

Mr. Anderson asked if there is any winter use planned for either park.

Mr. Leker stated at this time there are no plans for warming houses but that could change at some time in the future. He stated they may look at skating or hockey rinks.

Mr. Dobberstein stated the land by the trailer park was purchased with federal funds and we would need FAA concurrence for that use and we have started that approval process. He stated the other parcel was purchased with strictly Airport Authority funds.

Mr. Dobberstein stated the site of the north park contains the farmhouse, which is in dire need of repair. He stated if the Park District has no use for it then he would like the board's authorization to advertise the house for sale (to be moved) and if there is no interest shown as of a certain date then the house would be demolished.

Mr. Gress stated they have not really looked at the house but they will do that and his guess would be that they would have no use for the house. He added that it is his understanding that the north park is still in the flood plain so they would not be able to have any new construction in that site.

Mr. Anderson stated he thinks this is a great project.

Mr. Kilander stated he could not imagine a higher or better use for the property.

Chairman Macdonald called for a vote on the motion.

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

Chairman Macdonald asked if any member has any problem with Mr. Dobberstein's proposal for the house.

No objection was made and Mr. Dobberstein was authorized to proceed.

Received Request from Fargo Jet Center to Amend a Fuel Farm Lease Term:

The communication from Fargo Jet Center dated January 28, 2005, was received and filed without objection.

Mr. Dobberstein stated within the last year Fargo Jet Center came to terms with Northwest Airlines to purchase their fuel farm. Fargo Jet had initially asked for a 25 year term, which was approved, but they have recently asked that the term be changed to 15 years with two five year options. He stated just the term will change; the rest of the agreement will remain the same.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated after reviewing the lease they determined that they preferred the 15 year term with two five year options. He stated there is really no difference for the Airport Authority.

Mr. Pawluk moved to approve the amendment to the fuel farm lease with Fargo Jet Center as proposed.

Second by Mr. Kilander.

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

Discuss Air Service Grant Application and Association Local Program Proposal:

Chairman Macdonald stated he would like to review the details of the proposal air service grant application. He stated some time ago the Airport Authority retained the services of Sixel Consulting Group to work towards a DOT air service grant. He stated we now have the finalized details of the grant application and need the approval of the Airport Authority.

Chairman Macdonald stated our grant request to the DOT will be for \$450,000, which will be in the form of a grant, subject to the following:

1. A sum of local money being raised
2. The demonstrated need for portions of the grant.

Chairman Macdonald stated we are proposing to raise \$90,000 of local funds, which is 20% of the grant amount and according to Mr. Sixel this will give us an excellent change for favorable consideration from the DOT. With the local share, the total amount would be \$540,000 which would be made available to America West Airlines, should they agree to serve Fargo. The funds would be broken down as follows:

\$75,000 start-up costs (ticket counter, phone and computer cabling and other costs incurred setting up their station in Fargo.) This sum is the maximum allowed for reimbursement and will be paid only upon the submission of paid vouchers. Should their start-up costs be less than \$75,000 the remainder will be rolled over into advertising.

\$50,000 – Advertising.

These two items total \$125,000, leaving \$415,000 remaining to cover any losses incurred during their first year of operation. If no losses are incurred, no money from this grant would be expended. Any money made in any of the first 12 months will be used to offset losses, so if they made \$100,000 profit in some of the months and lost \$100,000 in the remainder of the months, there would be no reimbursement.

The \$90,000 local funds would be made up of the following:

MAA - \$45,000
EDC - \$35,000
CVB - \$10,000

Discuss Air Service Grant Application and Association Local Program Proposal: (Continued)

Chairman Macdonald stated this would make the local match 16.7% of the total, which means for every dollar spent the DOT will provide 83.3 cents and our local share is 16.7 cents. Carrying that forward means we are now committed to 16.7% of \$125,000, or \$20,875 (MAA - \$10,438, EDC \$8,118 and CVB \$2,319). The remainder will only be used to cover any losses during the first year of operation. Chairman Macdonald stated that we feel pretty confident that America West will succeed and will not use any of the contingency dollars. In addition, we are proposing an in-kind \$10,000 reduction in landing fees and boarding bridge usage spread over the first six months of operation. This will mean a reduction in that revenue; however, they will be paying both landing fees and jetway rental, just at a lesser rate for the first six months of operation. He added that other entities are also committing to in-kind funding to include reduced rate for hotel rooms for crews and a reduction in fuel costs for a certain maximum amount.

Chairman Macdonald stated at the end of the first year of the contract we have the option of requesting DOT approval for another year, providing that some or all of the \$415,000 is left. Again, we can ask that some of the money be used for advertising, using the remainder to cover losses incurred in going to additional destinations for adding flights, but it would be a new contract for another year. The percentages would remain the same for the funds expended. An additional year option may be exercised, making a total of three years, if any of the original funds remain. If after a year or two years we decide not to go forward as outlined, the money obligation is discharged and we are off the hook.

Chairman Macdonald stated if America West decided not to come, after the grant is obtained, we could use those funds to work with another airline, however, once you commit to a specific airline that is the only airline you can use that grant to work with.

Chairman Macdonald stated it will not take a large number of new passengers to put the MAA in the black. He stated he would be very surprised if our PFC, minus the amount paid to Sixel, would not cover our costs in 12 to 18 months. This does not take into consideration increases in other airport revenues due to increased passengers.

Chairman Macdonald stated with the board's final approval, Mark Sixel, EDC, CVB and the MAA will have put together a very attractive proposal which is a win-win situation for the airport and the community.

Dr. Clark moved to approve the submission of an application to the Department of Transportation for an air service grant, as proposed.

Second by Mr. Kilander.

Mr. Dobberstein stated that Mr. Brian Walters, Fargo-Cass County Economic Development, and Mr. David Martin, Chamber of Commerce of Fargo-Moorhead, are both present at the meeting today and have traveled with us for our presentations to airlines.

Mr. Pawluk asked how "losses" are defined.

Chairman Macdonald stated we do not get involved in determining losses, that determination is up to the DOT.

Discuss Air Service Grant Application and Association Local Program Proposal: (Continued)

Mr. Dobberstein stated the airline and the DOT come to terms on what break even is and we may not be a party to the process. He stated the grant is very specific and the money flows through us and we would go to the DOT to request reimbursement, no different that the AIP grant program.

Mr. Pawluk stated he does not have a problem with the reduction in landing fees, but do we put ourselves in a position of having to reduce landing fees for other carriers as well.

Chairman Macdonald stated we would do the same for another airline starting new service or adding a new destination.

Mr. Anderson asked if the board needs to approve this today.

Chairman Macdonald indicated it must be approved today or we will not be able to meet the deadline for submission of the grant application.

Mr. Kilander stated he is in favor of this proposal; however, we will be competing with our existing service to the west, which is currently the lowest cost per passenger mile departing from Fargo. He stated the highest cost per mile is the Fargo-Minneapolis route and is twice the profit level of Fargo-Denver or Fargo-Chicago. He stated it is a good idea to expand our service to the west, but somehow we have to try to get control over the cost going east as well.

Mr. Dobberstein stated he thinks that will come; it is just a matter of time.

Mr. Pawluk stated he does not think America West will be the only air service expansion we will see.

Chairman Macdonald stated that most of the facts and figures in his presentation are just for our information. The only expenditure the Airport Authority is really looking at is the \$45,000 and actually that should only be \$10,438 portion of the local share, if America West loses money (and he can't imagine they are going to lose money flying from here to Phoenix) and also the \$10,000 toward reduced landing fees and jetway rental.

Chairman Macdonald stated the board members will remember that he was not a big proponent of hiring Sixel Consulting at the beginning, but the more we get into the process the more he knows this is the right decision.

Mr. Brian Walters, Fargo-Cass County Economic Development, was recognized and stated air transportation is a huge factor in economic development. He stated it is a number one issue for larger employers operating in the area. He stated he is certain he will be able to get his board's approval next week for their participation.

Mr. David Martin, Chamber of Commerce of Fargo-Moorhead, was recognized and thanked the Airport Authority for their leadership and support for this effort. He stated some people may recall that we were able to get United Airlines back into our market through similar cooperative efforts led by the Airport Authority. He stated he is going to Washington, DC tomorrow and will be meeting with the congressional delegation to gain their support.

Chairman Macdonald stated one of the things you hear about Fargo from people in other parts of the country is that it's a great place but you can't get there. He stated the perception is that it is still hard to get to Fargo and hopefully one more airline will open up another segment of the community that will recognize that it is not that hard to get to Fargo. Hopefully the fares will be competitive with the rest of the country.

Mr. Pawluk stated it is especially easy to get to Fargo on Northwest Airlines.

Discuss Air Service Grant Application and Association Local Program Proposal: (Continued)

Mr. Dobberstein stated we are certainly fortunate for the air service we do have.

Chairman Macdonald called for a vote on the motion.

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

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

Received List of Firms That Responded to the Request for Qualifications Associated with the Passenger Terminal Area Study:

Mr. Dobberstein stated we have received responses from the following firms regarding our Request for Qualifications:

- Michael J. Burns Architects, Ltd. (partnered with Miller Dunwiddie Architects)
- TL Stroh Architects and Interiors (partnered with URS)
- YHR Partners (no partner identified in proposal)
- JLG Architects (partnered with URS)
- Foss Associates (partnered with Architectural Alliance and Ross & Baruzzini)

Mr. Dobberstein stated the interested firms have been advised that the Airport Authority will do some type of review shortly, possibly schedule interviews, and make a selection.

Chairman Macdonald stated there are a number of ways we can do this. One way would be to appoint a subcommittee to sort through the proposals and recommend to the board which firms should be interviewed, leaving it up to the committee how many the board should interview. He stated he feels it should be at least two, but hopefully not five. He stated we could interview all five if that is the board's desire. He asked the board members for their input.

Mr. Anderson stated he does not have a problem with the full board interviewing all five firms.

Mr. Pawluk stated he feels a subcommittee should be appointed and they should recommend the two best proposals and those two firms be interviewed. He stated he would even give the committee the latitude to chose three if they felt it appropriate.

Dr. Clark asked if all five firms are equally qualified why we would not want to interview all five. She stated the subcommittee should have the latitude to select two but up to a minimum of five.

Mr. Kilander stated he would concur with that. He stated not having looked at the proposals yet, all five could be very impressive, or maybe there are only a couple that would warrant further investigation. He stated the subcommittee should have the latitude of bringing forth at least two.

Mr. Pawluk stated after listening to the discussion he would like to reverse himself and maybe all five should have an opportunity to make a presentation to the full board.

Dr. Clark stated she does not want to make this process too complicated but it is an important matter. She stated she would like to look at the material and have the board members rank the material as well.

Chairman Macdonald proposed that the board members each take the five proposals to review and then at the next meeting each member will indicate on a ballot which firms they would like interviewed and if a firm got at least three "yes" votes they will be interviewed and if not they will not be interviewed. He stated at that time we will set a date for those interviews.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and suggested to the board that 30 minutes is not long enough for the presenters.

Receive List of Firms That Responded to the Request for Qualifications Associated with the Passenger Terminal Area Study: (Continued)

Mr. Dobberstein stated the FAA does have a circular spelling out criteria for selection and that can be provided to the board members.

Chairman Macdonald directed the board members to review the statements of qualifications and be ready at the next meeting to indicate which firms should be interviewed and which ones should not. He also asked Mr. Dobberstein to send all of the board members a copy of the Request for Qualifications so that we can determine if the concerns were addressed.

Reviewed and Approved Updated Airport Capital Improvement Plan for 2006-2008:

Mr. Dobberstein stated the FAA requires us to submit an updated Airport Capital Improvement Plan every year. He stated we actually did submit one in December because of some of the needs in Washington as they were development the AIP budget for 2006.

Mr. Dobberstein stated this plan focuses on the next three years and the FAA advised us to use an anticipated grant amount of \$2,082,413 for the next three years for planning purposes. He stated based on that we are proposing for 2006 to continue the rehabilitation of Runway A, T, D, rehab the south GA aprons and seal coat the north, west and east perimeter roads. We have shown the possible expansion of the air cargo apron in 2007 if we have interest from cargo carriers. The plan shows for 2008 some expansion on the north general aviation area with a taxiway and taxi lane.

Mr. Dobberstein stated the proposed PFC funded projects for the same period are the terminal expansion study in 2005, runway sweeper in 2006, and terminal expansion in 2007. He added that there is some flexibility in these plans.

Without objection the updated Airport Capital Improvement Plan for 2006-2008 was approved and Mr. Dobberstein indicated it would be forwarded to the FAA Airports District Office in Bismarck and the ND Aeronautics Commission.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we are going to receive bids for the sidewalk improvements in the rental car parking lot area and he will have a recommendation at the next meeting.

Mr. Synhorst stated Shafer Contracting will be starting June 1. He stated they have also finished the plans for the installation of the culvert on 32nd Avenue North.

Mr. Darren Anderson stated we finished the project adding barbed wire to the security fence in the area of the terminal.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 26, 2005, at 8:00 a.m.

Time at adjournment was 9:12 a.m.

Regular Meeting

Tuesday

April 26, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 26, 2005, at 8:00 a.m. in the airport boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 12, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held April 12, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$36,195.58:

Mr. Anderson moved to approve the airport vouchers totaling \$36,195.58.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$14,137.21 to Sixel Consulting for payment request for air service presentation to United Airlines.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,525.00 to Sixel Consulting for payment request for professional services in conjunction with the air service grant application.

Second by Mr. Anderson.

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

Chairman Macdonald asked Mr. Dobberstein to give an update on Sixel Consulting and the air service grant application. He stated we had a very attractive proposal approved at the last meeting and since that time there have been some changes and now he feels we have an awesome proposal to be submitted to the DOT.

Mr. Dobberstein stated a few days after our last meeting, Mr. Sixel had some conversations with America West regarding their proposed service to Fargo and after rerunning the analysis of their service they have decided to use 86 seat aircraft, the CRJ900. He stated because of that they will have some higher operating costs and they did not feel that the revenue guarantee portion of the \$450,000 grant would be sufficient for their comfort level. He stated because of the larger aircraft and because of their best guess of what fuel costs will be, they have requested an increase in the grant from \$450,000 to \$675,000. He stated the DOT requires a minimum local match of 10% and we were still above that with our original pledge of \$90,000 (MAA, FCCEDC and CVB), but it was recommended that we increase that to \$100,000 increasing the MAA's share to \$50,000, FCCEDC to \$37,500 and the CVB to \$12,500. He stated we have contacted the other two agencies and they immediately agreed to do so. He added that he did contact all of the board members by phone to advise them of this change and get their approval.

Mr. Dobberstein stated we have also had in-kind contributions of \$106,360 which is made up of the following:

MAA	\$10,000 in reduced landing fees and boarding bridge access
Fargo Jet Center	\$ 43,800 in fuel over a 12 month period if they are successful in getting the fuel contract
Ramada Plaza Suites	\$52,560 in discounted room rates over a 12 month period if they are successful in getting the contract for crew rooms

Mr. Dobberstein stated this brings the total grant request to \$881,000 so it is a very strong proposal. He stated we have received support from the congressional delegation from North Dakota Governor Hoeven, Congressman Collin Peterson, Senators Coleman and Dayton, and Governor Pawlenty from Minnesota, the mayors from Fargo and Moorhead. He stated we believe this is a very strong application and we hope it will be looked upon favorably.

Mr. Dobberstein stated the unique thing about this application is that America West signed on to the application and a lot of applications that are submitted do not have an air carrier signed on.

Approved the Individual Voucher to Sixel Consulting: (Continued)

Mr. Kilander moved that the Airport Authority take official action to approve the changes made and that the final application be submitted.

Second by Mr. Anderson.

In answer to a question from Mr. Anderson, Mr. Dobberstein stated we are hoping the DOT will make their decision within 60 days but it is possible that the process could take longer.

Mr. Pawluk asked if our ability to attract another carrier is tied up in the success of this grant.

Mr. Dobberstein stated he does not believe that to be true.

Chairman Macdonald called for a vote on the motion.

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

Received First Quarter 2005 PFC Report:

The PFC report for the first quarter of 2005 was received and filed without objection.

He stated last week EideBailly conducted the audit of our 2004 PFC program but we have not yet received those results.

Received Proposal to Complete Westside Terminal Building Guardrail Project:

Mr. Dobberstein stated a few years ago after we had replaced some of the siding on the building, we began a project to install guardrails along the north side (ramp side) to protect the building from further damage from equipment on the ramp. Mr. Dobberstein stated Darren Anderson met with Dakota Fence to get a proposal for finishing the project where we left off, and we received a bid of \$7,938.00.

Mr. Pawluk moved to approve the proposal from Dakota Fence to install guardrail on posts along the north side of the terminal building, as per proposal of \$7,938.00.

Second by Dr. Clark.

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

Received Request from Equis to Extend GSA Lease for TSA Space:

Mr. Dobberstein stated that Equis is the firm under contract with the federal government to secure space for the Transportation Security Administration. He stated the TSA currently leases former airline operations space on the first floor, as well as a small office on the second floor in this terminal. He stated in November the lease was extended for six months and they are now asking for a two year extension of the lease. He stated he is working on the square foot rate which will be about \$30 to \$34 per square foot. He stated he recommends approval of this request. He added that the space on the first floor is leased with the understanding that if an additional airline serves Fargo and needs the space the lease with the TSA is terminated.

Mr. Anderson moved to approve the extension of the lease with the TSA for a two year period.

Second by Mr. Pawluk.

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

Received Request from James George III to Lease Eastside Terminal Office Space:

The communication from James George III was received and filed without objection.

Mr. Dobberstein stated he just received the communication from Mr. George this morning. He stated Mr. George is requesting to lease office space in the Eastside Terminal which will be vacated by Elite Lighting at the end of this month. He stated they are proposing to use the office for aircraft sales.

Chairman Macdonald asked if this divorces them from Fargo Aero Tech.

Mr. Dobberstein stated that would apply to the aircraft sales portion.

Mr. James George III was recognized and stated he would like to separate all of his activities from Fargo Aero Tech and operate on his own.

Mr. Dobberstein stated he met with Mr. George last week and they reviewed the Airport Authority's caveat that in order to do the flight instruction or aircraft rental portion of his business he would have to be associated with an FBO currently on the field. He stated the aircraft sales he could do on his own. He stated that if he so desired Mr. George could go through the process to become a limited FBO, similar to the arrangement Mr. Victor Gelking has with the airport.

Mr. Pawluk moved to approve the request from Mr. James George III to lease office space in the Eastside Terminal.

Second by Dr. Clark.

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

Presentation by the Committee for the Proposed Renaissance Center:

Chairman Macdonald stated that members of the committee for the proposed Renaissance Center are here today to make a presentation on the proposed center, but first Attorney Stewart would like to make a statement.

Attorney Stewart stated that the vote on this proposed project is an initiated measure under the home rule charter amendment and as he has advised the City Commission, as a legislative body it is inappropriate to comment on an initiated measure. He stated since the Airport Authority is closely tied to the City of Fargo and as the members are appointed by the City Commission, it would be inappropriate for the board to take a position on the issue. He stated any member can take a position individually, but not as a whole.

Mr. Mike Bullinger, Cityscapes Development was recognized and gave a presentation on the proposed Renaissance Center.

Continued Discussion Regarding the Request for Qualifications Received for the Architectural and Planning Services for Possible Terminal Expansion Project:

Chairman Macdonald stated the board members received the five proposals at the last meeting (April 12) and have had two weeks to review the proposals and vote on whether or not a firm should be interviewed. Ballots were collected and the following firms were selected to be interviewed

Continued Discussion Regarding the Request for Qualifications Received for the Architectural and Planning Services for Possible Terminal Expansion Project: (Continued)

on Tuesday, May 10, 2005, following the regular meeting:

Foss Associates
JLG Architects
Michael Burns Architects
TL Stroh Architects

(YHR Partners did not receive the required three votes to be interviewed.)

The board directed Mr. Dobberstein to place the four names in a hat and draw for interview times of: 8:30 to 9:30, 9:35 to 10:35, 10:40 to 11:40 and 11:45 to 12:45.

Receive Bid Tabulation and Recommendation of Award for the Car Rental Lot Improvements:

The bids were received and filed without objection.

Mr. Dobberstein stated we received a request recently from Mr. Bernie Ness (Avis and Budget) to do some improvements to the car rental parking lots in the form of sidewalks. He stated we expanded their request for sidewalks to also include the grass median in the middle of the lot which has been a maintenance and drainage problem for us.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they received five bids as follows:

Strata Corporation	\$27,131.20
Northern Improvement	\$33,484.80
Opp Construction	\$35,036.20
Specialized Contracting	\$36,442.33
Border States Paving	\$42,704.50

Mr. Synhorst stated he recommends awarding the bid to Strata Corporation, based on their low bid of \$27,131.20. He stated they were ready to get started last week but they had to wait until the award was approved by this board.

Mr. Kilander moved the Airport Authority award the project for sidewalk improvements in the car rental lot to Strata Corporation.

Second by Mr. Anderson.

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

Airport Construction and Security Update:

Chairman Macdonald asked Mr. Jim Sweeney, Fargo Jet Center, for an update on US Customs and their ability to conduct inspections at sites other than their own office on the southeast ramp.

Mr. Sweeney was recognized and stated they have been finished with everything for over a week and are now waiting for final approval from US Customs. He stated they will not receive the word directly from Customs; it will go through the Airport Authority.

Mr. Dobberstein stated we are waiting for Customs in Pembina to come down and test the line for the computer, and also to go through access issues, which we believe have been resolved.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he had nothing to report on construction.

Mr. Darren Anderson indicated he had nothing to report on airport security.

Other Business:

Chairman Macdonald encouraged everyone to go to Senator Conrad's website (www.conrad.senate.gov) and sign a petition to keep the Happy Hooligans in Fargo.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 10, 2005, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:10 a.m.

Regular Meeting

Tuesday

May 10, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 10, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 26, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held April 26, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$23,274.33:

Mr. Anderson moved to approve the airport vouchers totaling \$23,274.33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Kilander now present.

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,020.00 to Sixel Consulting for payment request for professional services in connection with quarterly airline passenger report.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Strata:

Mr. Pawluk moved to approve the individual voucher in the amount of \$14,197.30 to Strata for payment request (final) for construction of 2003 Airport Improvements, Project AIP28.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$8,880.56 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Anderson.

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

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

Received Bid Tabulation for NDANG Area Fence Project:

The bid tabulation was received and filed without objection.

Mr. Dobberstein stated the NDANG had requested that the Airport Authority proceed with the project to fence off the closed portion of 23rd Avenue North (former airport access road to the Eastside Terminal.) He stated we received informal bids on April 29 from Dakota Fence and F-M Fence. He stated Dakota Fence was the low bidder with a bid of \$36,703.00. He stated Ulteig Engineers has reviewed the bids and recommends awarding the project to Dakota Fence. He added that the Airport Authority will be reimbursed by the Guard for this project.

Mr. Anderson moved to award the bid for the 23rd Avenue North/NDANG fence project to Dakota Fence, based on their low bid of \$36,703.00.

Second by Dr. Clark.

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

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

Reviewed Right-of-Way Easement Request from Cass Rural Water:

Mr. Dobberstein stated Cass Rural Water is requesting a right of way easement running east and west along the south edge of County Road 31, just to the east of the Gill farm or just to the west of Highland Park. He stated they brought to our attention the fact that a number of years ago there was a pipeline put through that area by Cass Rural Water but it has never been recorded and there is nothing on file with the Gill family. He stated he is not sure what the pipeline is but it must be a water line.

Mr. Dobberstein stated Cass Rural Water is now requesting an easement to install another pipeline. He stated Attorney Stewart is in the process of reviewing the proposed easement and we have also sent a copy to City Engineer, Mark Bittner, for his review.

Reviewed Right-of-Way Easement Request from Cass Rural Water: (Continued)

Attorney Stewart stated he thinks we should do the same type of easement as was granted to the north/south pipeline, subject to the approval of the City Engineer's, as well as including a clause that if the airport needs to require the pipeline to be moved that it be done at the expense of Cass Rural Water.

Chairman Macdonald asked if we should have a hold harmless clause for the existing pipe on which there is no record.

Attorney Stewart stated it should at least be commemorated.

Mr. Pawluk suggested we wait until the City Engineer has reviewed the proposed project.

Chairman Macdonald stated he agrees that we need more information before we approve this easement.

Reviewed Proposed Tree Planting Plan for Pepsi Soccer Complex:

Mr. Dobberstein stated we received a proposed plan from the Fargo Park District for the planting of additional trees in the Pepsi Soccer Complex. He stated it looks like they are planning on spending a lot of money on these additional trees so he wanted it on record should we need to take back the land at some time in the future.

The proposed tree plan was received and filed without objection.

Chairman Macdonald stated there are some dead trees along the entrance road to the north general aviation area.

Mr. Dobberstein stated those replacements are on a "to do" list.

Airport Construction and Security Update:

Chairman Macdonald introduced Mr. Joe Guttenson, the TSA's Federal Security Director for the western portion of the state, who is also temporarily assigned to oversee the airports on the eastern half of the state.

Mr. Williams now present.

Mr. Darren Anderson stated we did get approval of our Airport Security Plan from the TSA last week.

Mr. Dobberstein stated that he and Mr. Steve Synhorst, Uteig Engineers, met with representatives of the cemetery associations along 32nd Avenue North. He stated the groups were briefed on the project we will be doing this summer to replace the existing bridge with a box culvert. He stated one of the reasons for doing this is so that we are able to use 32nd Avenue as the primary access for our airfield construction project this summer.

Mr. Dobberstein stated the real reason for the meeting was that the cemetery association, for a number of years, has wanted to have that road paved, but of course they indicate they have no money for such a project. He stated we have agreed to try and come up with a plan to improve the

Airport Construction and Security Update: (Continued)

road. He stated if such improvements were done by the City the cost would be special assessed to the airport, the cemetery associations, and also the State of North Dakota owns some land along 32nd Avenue. He stated we do not know what those costs would be yet but Mr. Mark Bittner was going to work with Ulteig Engineers on some type of plan for improvements. He stated to go in and put asphalt on top of the existing road would not solve the problem. He stated the road really needs to be widened. He stated there is also the possibility that the Guard might relocate their main entrance from 28th Avenue North to 32nd Avenue North and in that case they would probably pave the road. He stated there are still a lot of unknowns on the matter.

Mr. Dobberstein stated this is just informational at this point and we will continue to work with the involved parties.

Mr. Steve Synhorst, Ulteig Engineers, reviewed the items remaining in this year's portion of the runway project, including the connecting taxiway and perimeter road. He stated no flights will be affected by this work and it will not interrupt the Fargo Airsho.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 24, 2005, at 8:00 a.m.

Time at adjournment was 8:15 a.m.

Regular Meeting

Tuesday

May 24, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 24, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 10, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held May 10, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$21,785.62:

Mr. Anderson moved to approve the airport vouchers totaling \$21,785.62.
Second by Mr. Kilander.
On the call of the roll, members Kilander, Anderson, and Macdonald voted aye.
Absent and not voting: Clark, Pawluk
The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,548.83 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the car rental parking lot improvements.
Second by Mr. Anderson.
On the call of the roll, members Kilander, Anderson and Macdonald voted aye.
Absent and not voting: Clark, Pawluk
The motion was declared carried.

Approved the Individual Voucher to Gnoinsky Bros. Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,125.00 to Gnoinsky Bros. Construction for payment request (final) for repairs to manhole in the south general aviation area.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Foreign Trade Zone Corporation:

Mr. Kilander moved to approve the individual voucher in the amount of \$646.26 to the Foreign Trade Zone Corporation for payment request for professional services in connection with the foreign trade zone application.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Dakota Fence:

Mr. Kilander moved to approve the individual voucher in the amount of \$7,938.00 to Dakota Fence for payment in full for installation of guardrails along the ramp side of the Westside Terminal.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$54,131.57 to Shafer Contracting for partial payment request for construction of runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$17,406.74 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$4,367.00 to Ulteig Engineers, Inc. for payment request (final) for engineering services in connection with the 2003 Airport Improvement Projects, AIP28.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$14,315.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the perimeter road portion of Project AIP29.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Clark now present.

Received Change Order Request #5 from Shafer Contracting for the Runway 17/35 Reconstruction Project, for an Increase of \$79,642.82:

Mr. Kilander moved to approve Change Order Request #5 from Shafer Contracting in the amount of \$79,642.82 for the Runway 17/35 Reconstruction Project.

Second by Mr. Anderson.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and reviewed the items in Change Order #5. He stated that the majority of the Change Order (\$39,000) was for the payment of the bonus to the contractor for the 12"-16" concrete. He stated another one of the bigger items was \$16,000 to replace the existing cable for the existing runway pavement sensor system. He stated they planned to use the existing cable but after getting into the project it was determined that the cable was exposed in some areas and that it would be best to replace the cable at that time. He

Received Change Order Request #5 from Shafer Contracting for the Runway 17/35 Reconstruction Project, for an Increase of \$79,642.82: (Continued)

stated there were a number of other small additional items which had to do with some FAA work we were doing in conjunction with this project and all of those are eligible for reimbursement.

Mr. Synhorst stated that to date we have had a total of \$532,000 worth of change orders on the entire project and \$284,700 of that amount has been for concrete bonuses to the contractor. He stated deducting the amount for the bonuses, the change orders amount to about 1.45% of the original more than \$17 million project.

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

Absent and not voting: Pawluk

The motion was declared carried.

BRAC Issues Update:

Chairman Macdonald stated we have had a number of conference calls and meetings on the BRAC issue. He stated that the Fargo base is somewhere between a rock and a hard place. He stated as it stands now we will have no aircraft and there are all sorts of issues on moving all or a portion of our flying operation to Grand Forks, if that base stays relatively open. He stated he is not going to go into detail but we are really up in the air.

Chairman Macdonald stated this is of specific concern to the airport because we get our aircraft rescue and fire fighting services through the NDANG and if they go away it is going to cost a lot more for the airport to provide that service and those costs will have to be passed down to everyone using the airport.

Chairman Macdonald is asking the Airport Authority to help to underwrite costs in continuing to keep the services of Spectrum Group. He stated we have funds in our budget that will not be used elsewhere that could be transferred for this use. He stated he is asking this as a contingency. He stated he is hoping the City of Fargo will also contribute. He stated \$40,000 is the amount needed for their services until September when the BRAC commission makes their recommendations to the President. He stated even though we may not get anything out of this he feels it is a good investment. He stated that amount is a drop in the hat compared to the issues that are on the table.

Mr. Kilander moved to authorize the expenditure of up to \$40,000 so the Fargo BRAC (Base Realignment and Closure) Save the Air National Guard committee is able to retain the services of the Spectrum Group until September.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Air Service Update:

Mr. Dobberstein stated our grant application was sent to the DOT, along with about 80 others from around the country, so we hope to hear something about six to eight weeks after the DOT receives them, so probably late June or early July.

Mr. Dobberstein stated in conjunction with the Sioux Falls airport and Sixel Consulting, we will be meeting with Allegiant at their headquarters in Las Vegas in June, as they have been interested in the Fargo market for quite some time.

Mr. Dobberstein stated as part of our grant application for America West service we pledged to waive up to \$10,000 in landing fees and boarding bridge fees, as well as other cash pledges, for a total of \$18,000. He stated in fairness to other airlines, if they also add new service we will extend to them the same offer.

Received North Dakota Air Service Grant Report:

The report was received and filed without objection.

Mr. Dobberstein stated last week he went to Bismarck to attend the ND Aeronautics Commission's annual grant meeting at which they distribute grant funds to the eight commercial service airports in the state. He stated the Aeronautics Commission had requests for approximately \$1.3 million and had approximately \$600,000 to distribute. He stated we received \$130,000, which will be applied toward one of our recent land purchases. He stated those projects which were included on our application but not funded will be on our request again next year.

Reviewed Access Road/Terminal Area Signage Rehabilitation:

Mr. Dobberstein stated all of the signs along the access road have faded quite a bit over the years and there is also no reflectivity left in the lettering so we have been working on getting a proposal to rehabilitate the existing signs by painting them and putting new letters on them. He stated we have received a proposal from 3-D Specialties in the amount of \$10,944.

Mr. Anderson moved to approve the proposal in the amount of \$10,944 to rehabilitate the access road signage.

Second by Dr. Clark.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received and Reviewed Communication from TL Stroh Architects Regarding Proposed Passenger Terminal Study Fee:

The communication from Mr. Terry Stroh, TL Stroh Architects, dated May 19, 2005, was received and filed without objection.

Mr. Kilander moved to approve the proposal from TL Stroh Architects to provide services for the terminal expansion study for fee not to exceed \$144,047.00.

Second by Dr. Clark.

Received and Reviewed Communication from TL Stroh Architects Regarding Proposed Passenger Terminal Study Fee:

Mr. Terry Stroh was recognized and stated they have this discussion quite often when clients wish to hire outside consultants, and due to the specific nature of this project that is the right thing to do. He stated about \$107,000 of the \$144,047 is the fee charged by URS and \$13,000 for travel expenses. He stated the remainder of the fee is for what they will be doing as far as analyzing the mechanical and electrical systems, the overall condition of the terminal building, etc.

Mr. Stroh stated that URS will be bringing various specialists for baggage, security, etc. He stated the person they will be working with the closest is Mr. Jim Young. He stated adding on to and expanding an existing structure is always a more difficult project than building a new structure. He stated this study will encompass the possibilities that URS will come up with and will be a shopping list of items with prices attached that the board will be able to review and prioritize needs.

Mr. Stroh stated this proposal is based on an hourly rate, not to exceed \$144,047. He added that there are various hourly rates for each of the people involved. Mr. Stroh stated this may seem like a lot of money to spend just on the study portion but once we see all of the areas they are going to analyze and URS is an expert when it comes to airports. He stated he plans to use the consultant's expertise to the fullest extent during the whole process.

In answer to a question from Mr. Anderson, Mr. Dobberstein stated it is almost impossible to find an exact comparison to this study, but we do know that Grand Forks spent \$292,000 on their study, Bismarck spent \$192,000 and Pierre, SD \$130,000. He added that terminal study costs are eligible for federal funding.

Mr. Anderson stated he feels we all recognize that the planning process is the most important part of this project and that is why we encouraged the local architects to partner with a nationally known consultant with airport expertise.

Mr. Steve Synhorst, Ulteig Engineers, stated that they have a copy of the Grand Forks airport study in their office and it is available for review. He added that Mr. Jim Young has received high reviews from the other airports in the state with which he has worked.

Chairman Macdonald called for a vote on the motion.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received Notice from American Security & Protection Regarding Rate Increase:

The communication dated May 11, 2005 from American Security and Protection was received and filed without objection.

Chairman Macdonald stated they are requesting a 4% increase for the parking control officer, from the present rate of \$10.65 per hour to \$11.08 per hour. The last increase was 5-1-03.

Mr. Kilander moved to approve the increased rate for parking control officer requested by American Security and Protection.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received Update from Eagle 1 Aviation Regarding Limited Service FBO Operation and Location:

The communication dated May 20, 2005 from James George III, Eagle 1 Aviation, Inc., was received and filed without objection.

Mr. Dobberstein stated Mr. James George III and Mr. Craig Sutter, Eagle 1 Aviation, are present at the meeting today.

Mr. Dobberstein stated at our last meeting we had a request from Eagle 1 Aviation to lease office space in the Eastside Terminal building, for the purpose of conducting aircraft sales. He stated since that time their desire has changed to become a limited FBO, similar to the airport's arrangement with Vic's Aircraft Sales. He stated Eagle 1 Aviation would pay the Airport Authority 1.5% of gross sales or \$100 per month, whichever is greater, for the following items:

- Aircraft flight training
- Aircraft rental
- Aircraft sales and brokering
- Pilot shop
- Charter flights (if and when they are granted such a certificate)

Mr. Dobberstein stated they have come to terms to rent the igloo building and adjacent hangar space from Mr. Bernie Ness.

Mr. Kilander moved to approve the request from Eagle 1 Aviation, Inc. to be granted limited FBO status, subject to all requirements being met and all legal documents being approved by Attorney Stewart.

Second by Mr. Anderson.

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

Received Communication from Moore Engineering Regarding Proposed Easements for Cass County Drain 10 Project:

The communication from Mr. John Wirries, Moore Engineering dated May 19, 2005 was received and filed without objection.

Mr. Dobberstein stated at a recent meeting Mr. Wirries was before the Airport Authority on behalf of the Southeast Cass Water Resource District and City Engineer, Mark Bittner. He stated the Southeast Cass Water Resource District is requesting an easement for the drain as it goes through airport property adjacent to 25th Street North and 52nd Avenue North. He stated they are improving the drain as it goes through the airport's property, eliminating the crossing. He stated 52nd Avenue will be terminating at some point but that is an issue for the City and the County. He stated he indicated we did not care where they decide to terminate 52nd Avenue, as long as we can get to our farm fields.

Mr. Dobberstein stated Attorney Stewart has reviewed the easement and approved it.

Mr. Anderson moved to approve the request for an easement to Southeast Cass Water Resource District for an easement for Cass County Drain 10, as requested.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Shafer Contracting will get starting working on the project the first week in June. He stated we have the quantities down to get the perimeter road constructed. He stated we are waiting for some final numbers and as soon as we get them we will apply for the grant for this year's construction (AIP 3-38-0017-30). He stated they are constantly working on punch list items and are making progress. He added that they will halt construction for the Fargo Airsho, July 9-10.

Mr. Dobberstein stated the ramp side guardrail project is done. He stated we are also improving the gate in the south general aviation area between the Eastside Terminal and the old Flight Training building. He stated we are putting in a 50' wide gate, partially to accommodate aircraft moving in and out of the museum. He stated the Guard fence project along the old access road is getting underway and the FAA is also starting the ASR-11 radar project.

Other Business:

Chairman Macdonald stated we have received boarding statistics for April 2005, which was the busiest April on record, and also the seventh consecutive month of record boardings. He added that this year we are looking at breaking the record again. He stated whatever we are doing in the way of advertising, customer service, etc.; at least some of it is right.

Chairman Macdonald stated we received a communication from Mr. Thomas P. Martin dated May 13, 2005, that he is withdrawing his offer to sell the property in Reed Township, as we did not agree to his price.

Mr. Dobberstein stated the ND Aeronautics Commission did approve their airport internship program whereby they will fund \$3,000 for an airport offering an internship to an aviation student as long as the airport matches with \$3,000. He stated they have opened it up to an aviation management student from any school. He stated our primary focus will probably be UND.

Mr. Richard Scharf was recognized and asked if the airport has a policy on hangar usage, are they for airplanes or for boat storage, etc?

Chairman Macdonald stated we have a general statement that hangars should be used for aviation related purposes, although that is not always enforced.. He stated he feels it is in our best interest to overlook some uses as long as they are rented, rather than sitting empty and not bringing in any money for anyone. He stated the other side of that coin is that they were constructed for the specific use of airplanes and we would prefer to have them used in that way.

Other Business: (Continued)

Mr. Scharf stated there are two large hangars down south that he has never seen any airplanes in except for limited occasions.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and asked to which hangars he is referring.

Mr. Scharf indicated the two new brown colored hangars on the south ramp (Hangars 3 & 4).

Mr. Sweeney stated that Fargo Jet Center leases both of those hangars from the Airport Authority and they have both been full of airplanes for at least two and a half years. He added that they also make space available to the Fargo Air Museum when it is possible.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 14, 2005 at 8:00 a.m.

Time at adjournment was 8:45 a.m.

Regular Meeting

Tuesday

June 14, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 14, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 24, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held May 24, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$34,077.19:

Mr. Pawluk moved to approve the airport vouchers totaling \$34,077.19.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Dakota Food Equipment:

Mr. Kilander moved to approve the individual voucher in the amount of \$3,625.70 to Dakota Food Equipment for replacement of ice machine for restaurant.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$9,755.26 to Flint Communications for payment request for 2005 airport marketing program.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Kilander moved to approve the individual voucher in the amount of \$546.00 to TL Stroh Architects for payment request for architectural services in connection with the Westside Terminal ticket counter shading project.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Forum Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$113.60 to Forum Communications for payment request for publication of Foreign Trade Zone hearing notice.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$5,501.93 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP29.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$11,691.90 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the South Perimeter Road Project, AIP30.

Second by Dr. Clark.

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

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

Received CY2004 PFC Audit Report from EideBailly:

The audit report from EideBailly for the PFC program CY2004 was received and filed without objection.

Mr. Dobberstein stated that EideBailly conducted the annual audit of the Passenger Facility Charge program for calendar year 2004 and found everything to be in order, as it has been since we started the PFC program. He stated the cost of the audit is generally in the \$500.00 range and is eligible for federal funding.

Received Request from Eagle 1 Aviation to Install Sign Near the Igloo Building:

Mr. Dobberstein stated he received a verbal request from Eagle 1 Aviation, along with a copy of a plan for the proposed sign, to install a sign near the igloo building, 20' from the south edge of the old terminal access road. He stated Flight Training had a sign in that approximate location for many years when they owned that building. Mr. Dobberstein stated it is the board's policy to approve all signage.

Mr. Kilander moved to approve the request from Eagle 1 Aviation to install a sign near the igloo building.

Second by Mr. Anderson.

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

Reviewed Information from First Class Seats, Inc.:

Mr. Dobberstein stated he and Chairman Macdonald visited with this vendor (First Class Seats, Inc.) at the AAAE Conference in Seattle in May. He stated First Class Seats is proposing to install two large black leather back massage chairs somewhere in the departure lounge. He stated this company is affiliated with Smarte Carte, Inc., the company that provides our luggage cart system, so the same person would service these. He added that this person is an airline employee with the required identification badge and access to the departure lounge to service the chairs so there would be no security issues. He added that we will provide the electrical outlets and will receive 10% of the revenue. He stated the units cost First Class Seats approximately \$6,000-\$7,000 so they will probably want at least a two year contract.

Mr. Pawluk moved the Executive Director be authorized to negotiate with First Class Seats, Inc. for the placement of two massage chairs in the departure lounge.

Second by Mr. Anderson.

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

Received Update from North Dakota Aeronautics Commission Regarding the Airport Intern Funding Program:

The communication from the North Dakota Aeronautics Commission dated June 10, 2005 was received and filed without objection.

Mr. Dobberstein stated the opportunity to receive a state grant of up to \$3,000 from the Aeronautics Commission for a student internship expires on June 17. He stated if we wish to participate in the program we must have our request to them by that date.

Mr. Pawluk asked if this has to be a summer internship.

Mr. Dobberstein stated it does not have to be summer and this summer probably would not work for us because of present time commitments. He stated he and Darren Anderson will work with UND on assigning a student and also outlining goals.

Mr. Kilander stated from his perspective this is an obligation on our part to the aviation industry.

Mr. Dobberstein stated he would concur with Mr. Kilander. He stated this is something UND has wanted us to do for a long time. He stated in the recent past we have had three interns and all were unpaid positions where the student volunteered their time and basically set their own hours.

Mr. Kilander stated having had three daughters going through internships it has been his experience that it is no cheaper to have a student in an internship than it is to have them on campus. He stated he feels it is important that they get paid.

Mr. Anderson moved the Airport Authority authorize the expenditure up to \$3,000 to participate in the Aeronautics Commission's internship program, at the discretion of the Executive Director.

Second by Mr. Kilander.

Mr. Anderson stated they have an internship program at their company and it has worked out well.

After further discussion, Chairman Macdonald called for a vote on the motion.

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

Receive Update on Terminal Study Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated tomorrow is our kick-off meeting for the terminal study project and will go from 9:00 am to 4:00 pm. He stated our airport consultant, URS, will be here, along with airport staff and the engineering firms involved in the project. He stated we will be discussing the goals and objectives of the study and will do our first walk through of the facility and identify issues and areas which need improvement. He stated we will spend the day taking a lot of photographs.

Mr. Stroh stated we will then come up with a time line, set goals, make sure everyone understands their role, and put together a list of dates that URS will be back.

Chairman Macdonald stated the members have received an agenda for tomorrow and encouraged all of the members to be present for at least a portion of the day.

Approved Change Order #6 Associated With Runway 17/35 Reconstruction Project for an Increase of \$8,792.00 (AIP eligible) and \$1,489.23 (Non eligible for AIP funds):

Mr. Synhorst, Ulteig Engineers, stated Change Order #6 contains several items; mow pads around some lights on the runway so the airfield maintenance staff is able to go around them with their mowers, concrete step for the glideslope building, put silicon around signs to keep snow and rain out of airfield signage, which will now be standard practice on all of the airfield signage on Hector Airport. He stated we also had to clean up some of the wiring in the air traffic control tower, which was not eligible for AIP funds. Mr. Synhorst stated the first time we asked the contractor for a quote on the mow pads the figure was over \$11,000 and we rejected that, but they are now willing to do it for \$3,450. He stated he wants the board to know that they are not just taking any price on change order items but are negotiating the best price.

Mr. Pawluk moved to approve Change Order #6 in the amount of \$10,281.25 for the Runway 17/35 Reconstruction Project.

Second by Mr. Anderson.

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

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

Approved Change Order #7 for an Increase of \$52,275.00 for the 32nd Avenue North Bridge Changes, Project AIP30:

Mr. Synhorst, Ulteig Engineers, stated Change Order #7 in the amount of \$52,275.00 is to remove the existing bridge on 32nd Avenue North and install a 72' culvert and restore the road. He stated we will be receiving \$25,000 from the Cass County Drain Board toward this project.

Mr. Pawluk moved to approve Change Order #7 in the amount of \$52,275.00 for the 32nd Avenue North changes.

Second by Mr. Anderson.

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

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

Approved Change Order #8 in the Amount of \$532,280.00 to the Contract with Shafer Contracting for the South Perimeter Road Portion of Project AIP30:

Mr. Steve Synhorst, Ulteig Engineers, stated Change Order #8 is for the south perimeter road extension under AIP Grant 30.

Mr. Pawluk moved to approve Change Order #8 in the amount of \$532,280.00 for the south perimeter road extension.

Second by Mr. Anderson.

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

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

Reviewed and Approved Engineering Services Contract Amendment #1 Associated with the South Perimeter Road Project:

Mr. Steve Synhorst, Ulteig Engineers, stated Amendment #1 to the Engineering Services Contract will cover engineering design, survey, construction, administration, observation, construction staking and quality assurance testing for the south perimeter road extension. He stated the contract modification breaks down as follows:

Preliminary and final design	\$18,368.00
Construction/Administration/Observation (hourly rate not to exceed)	\$27,821.00
Closeout	\$ 1,918.00

Mr. Pawluk moved to approve Amendment #1 to the Engineering Services Contract with Ulteig Engineers, Inc. for the south perimeter road project.

Second by Mr. Anderson.

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

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

Received Communications from Fargo Jet Center Requesting to Exercise Their Lease Option to Renew Their FBO Agreement and North General Aviation Area Fuel Farm Agreement:

The communications dated June 3, 2005, from Mr. James Sweeney, Fargo Jet Center, were received and filed without objection.

Mr. Dobberstein stated Fargo Jet Center is requesting to renew their Agreement for Fixed Base Operation and their Agreement for Fuel Farm Operation for a five year period effective July 1, 2005.

Mr. Kilander moved to approve the request from Fargo Jet Center to renew their Agreement for Fixed Base Operation and their Agreement for Fuel Farm Operation for a five year period effective July 1, 2005.

Second by Dr. Clark.

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

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

Received Update on South General Aviation Area Fuel Farm Site:

The various communications relative to the southeast general aviation fuel farm site were received and filed without objection.

Mr. Dobberstein stated this is an ongoing communication between the State of North Dakota and Northwest Airlines and the Municipal Airport Authority has not been a party to a lot of their communications.

Mr. Dobberstein stated back in about 1989 Northwest Airlines removed a number of underground fuel tanks in the southeast general aviation area. He stated at the time the tanks were removed there was some contamination but the contaminated soil could not be removed at it would

Received Update on South General Aviation Area Fuel Farm Site: (Continued)

undermine the footings of Hangar #2 at that time. He stated the State advised Northwest Airlines at that time that if conditions changed in the future they would be obligated to clean up the contamination. He stated conditions did change and that hangar was torn down after being destroyed in a windstorm in 1999. He stated after that the NDANG began to remove the apron in that area and they had to stop because of the contaminated area. He stated it has been the Guard's plan to turn back a portion of that area back to the Airport Authority but they do not feel they can turn it back in its present condition. He stated the Guard has conducted a number of tests in the area and provided all of that documentation to Northwest Airlines for their review. He stated the State of North Dakota has assured Northwest Airlines that the site is still eligible for petroleum tank compensation funds through 2010.

Mr. Dobberstein stated Northwest Airlines responded through their engineering firm, Barr Engineering, disputing that some of the contaminants did not belong to them as they did not use that particular type of fuel. He stated Barr Engineering recommended they leave the site as is.

Mr. Dobberstein stated a representative from the State was here about a week ago and met with him and NDANG Base Engineer Mark Ugelstad, and they may concur with Northwest Airlines to leave the site as is and deal with it in the future if we ever decide to build in that area. He stated the State also agreed to relieve the NDANG from any future cleanup.

Mr. Dobberstein stated the State then asked what the Airport Authority would like done, leave it as is, or press Northwest Airlines to clean it up.

Mr. Dobberstein stated the problem is that the Guard Bureau project ran out of money and they are not able to finish what they started (demolition of old apron, clean up of floor site from old hangar, old boiler building). He stated their goal was to clean up the area and return it to the Airport Authority.

Mr. Dobberstein stated there is approximately 3,000 yards on contaminated soil and the most out of pocket expense for Northwest Airlines should be \$10,000-\$12,000 (a \$5,000 deductible and 10% co-share). He stated that these State funds are available only through 2010. Mr. Dobberstein stated Northwest Airlines would be able to take advantage of an approved soil land farm on NDANG property on the airport, which will save them considerable funds in taking it to the landfill.

After further discussion, Mr. Pawluk moved the Executive Director be authorized to direct Northwest Airlines to clean up the contaminated fuel tank site in the southeast general aviation area.

Second by Mr. Anderson.

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

Reviewed and Approved Preliminary CY 2006 Budgets:

The preliminary CY2006 Operations and Maintenance and Improvement Fund Budgets were received and filed without objection.

Mr. Dobberstein stated the Operations and Maintenance Budget is preliminary because any changes in cost of living adjustments are not known at this time.

Mr. Dobberstein reviewed some of the budget line items in the Improvement Fund.

Reviewed and Approved Preliminary CY 2006 Budgets: (Continued)

Mr. Kilander moved to approve the preliminary CY 2006 Operations and Maintenance Budget and Improvement Fund Budget.

Second by Dr. Clark.

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

Certify Mill Levy to the Board of City Commissioners for 2006 Improvements, As Per Section 2-06-14 of the North Dakota Century Code:

Mr. Anderson moved that the Airport Authority certify a two mill levy to the Board of City Commissioners for 2006 improvements, as per Section 2-06-14 of the North Dakota Century Code.

Second by Mr. Kilander.

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

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

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and indicated any updated were covered under the discussion of the change orders.

Mr. Darren Anderson indicated he had nothing to report on airport security.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 12, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:58 a.m.

Regular Meeting

Tuesday

July 12, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 12, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting Held June 24, 2005:

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

Approved the Airport Vouchers Totaling \$65,885.96:

Mr. Pawluk moved to approve the airport vouchers totaling \$65,885.96.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$359.00 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the car rental lot sidewalk project.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$366.35 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the legal survey update for fuel farm.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Federal Aviation Administration:

Mr. Kilander moved to approve the individual voucher in the amount of \$92,603.22 to the Federal Aviation Administration for FAA construction (NAVAIDS) of Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Kilander moved to approve the individual voucher in the amount of \$896.90 to Sixel Consulting for reimbursement for expenses in connection with Allegiant Airlines presentation, Las Vegas, NV.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$8,173.91 to Flint Communications for payment request for 2005 airport marketing program.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$113.60 to Forum Communications for legal advertisement for the Foreign Trade Zone Public Hearing.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Strata Corporation:

Mr. Kilander moved to approve the individual voucher in the amount of \$28,255.20 to Strata Corporation for payment request (full and final) for construction of sidewalk project in rental car parking lot.

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Received PFC Report for Second Quarter of 2005:

The PFC report for the second quarter of 2005 was received and filed without objection.

Passenger Terminal Study Update:

Mr. Jim Young, URS, was recognized and stated they are here today to meet with the airport tenants as well as the TSA and US Customs and Border Protection. He distributed an agenda for the meetings today.

Mr. Young stated they are pulling together the terminal assessment report, which is the first step of the expansion study. He stated they were here about four weeks ago meeting with the engineering team to look at the building and the existing facilities. He stated that report should be ready in the next couple of weeks. He stated the findings are not too terribly surprising. He stated the building has been well maintained and all of the systems are functional. He stated there are a few pieces of infrastructure that are reaching the end of their useful life so we will want to be thinking about those things (florescent lighting and lighting in the public areas). He stated we will be looking at some more efficient lighting. He stated basically the infrastructure is very good. The foundations are good and there is no settling so we are in an enviable position as there are no big issues like that.

Mr. Young stated the biggest issue will probably be the passenger screening area and how to expand that area. He stated the other big area is what Customs and Border Protection will require to accommodate international flights.

Mr. Young stated we are still really in a data gathering phase and will have more to report in the near future.

Passenger Terminal Study Update: (Continued)

Chairman Macdonald asked Mr. Young if they are still on schedule on their timeline.

Mr. Young indicated yes they are still on schedule. He added that they had planned to have a follow-up meeting with the Airport Authority today at 3:00 pm but that will be handled during a telephone conference call later this week.

Discussed Easement Request for Water Main Installation Along 25th Street North, North of Cass County 20:

Mr. Dobberstein stated he has been working with the City Engineering Department regarding extending the water main along 25th Street which will eventually connect with the water main that will continue north of 52nd Avenue to serve the proposed Eid development. He stated they are having some issues with negotiations with the property owner to the west of 25th Street and they have asked us if they could locate the main on airport property east of 25th Street if they are not successful with the other property owner.

Chairman Macdonald stated without objection the easement would be approved.

There were no objections.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Shafer Contracting is moving right along on schedule even after halting operations during the air show.

Mr. Dobberstein introduced Mollie Crawford who is the new Federal Security Director, TSA.

Other Business:

Mr. Steve Blazek was recognized and stated on behalf of the Fargo Airshow Committee he wanted to thank the Airport Authority and staff for the excellent cooperation which led to a very successful air show. He stated the crowd was less than they had hoped for but it was an excellent show and they have received many positive comments.

Mr. Dobberstein stated he was contacted by the engineering firm representing Northwest Airlines (Barr Engineering) regarding the contamination at the site of the former Northwest Airlines fuel farm in the south general aviation area. He stated they have indicated they are in the process of getting proposals from contractors for the cleanup project. He stated they are also working with the Guard to determine if any of the pavement in the area needs to be removed in order to gain access to the contaminated area. He stated he is hoping that will be completed by this summer or early fall.

Other Business:

Chairman Macdonald stated he would like to give a brief update on the BRAC issue. He stated it appears we stand a very good chance of having the language "no flying backfill" removed from the BRAC Commission report so that we will be able to continue working towards a flying mission for Fargo. It is kind of like winning a battle but we still have the war in front of us. He stated we are still going to lose the F-16's in 2007. He stated if the language is taken away we still have to convince the National Guard Bureau and the Air Force that we deserve another flying mission in Fargo.

Chairman Macdonald stated as a member of the Fargo-Moorhead Air National Guard Support Group he appreciates the support and backing from the Airport Authority, which was crucial to the effort. He stated he thinks we are going down a good path.

The meeting was adjourned until the next regular meeting to be held Tuesday, August 9, 2005, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:22 a.m.

Regular Meeting

Tuesday

August 9, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 9, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 12, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held July 12, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$42,696.35:

Mr. Anderson moved to approve the airport vouchers totaling \$42,696.35.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$140,755.16 to Shafer Contracting for Partial Payment Request #10 for construction of Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$501,518.02 to Shafer Contracting for Partial Payment Request #1 for construction of Runway 17/35 Reconstruction Project (Phase II), AIP30.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,298.86 to Shafer Contracting for Partial Payment Request #8 for construction of NDANG arresting system.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Dakota Fence:

Mr. Pawluk moved to approve the individual voucher in the amount of \$36,262.04 to Dakota Fence for Payment Request #1 (Final) for 23rd Avenue North Fence Project (to be reimbursed by NDANG).

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to F-M Air National Guard Support Group:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,000.00 to the F-M Air National Guard Support Group for partial payment of contribution for NDANG base retention efforts.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$38,024.43 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 17/35 Reconstruction Project (Phase II) AIP30.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to EideBailly:

Mr. Pawluk moved to approve the individual voucher in the amount of \$550.00 to EideBailly for accounting services for the 2004 PFC audit.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Red River Fabricating:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,780.00 to Red River Fabricating for materials for the sunscreen (shades) prototype for the airline ticket counters.

Second by Mr. Anderson.

On the call of the roll, members Clark, Kilander, Anderson, Pawluk and Macdonald 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 \$610.00 to Johnson Controls for payment request for alterations to the security gate access control for the Runway 17/35 Reconstruction project, AIP30.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,653.33 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Foreign Trade Zone Corporation:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,956.31 to Foreign Trade Zone Corporation for expenses in connection with the Foreign-Trade Zone Application.

Second by Mr. Anderson.

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

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

Tony Grindberg Provided an Update Regarding the NDSU Research and Technology Park:

Mr. Tony Grindberg, Executive Director of the NDSU Research Technology Park, was recognized and updated the board on the progress in the NDSU Research Technology Park as a follow-up to a recent meeting he had with Mr. Dobberstein and Chairman Macdonald. He stated the last time he was before the Airport Authority was three years ago and at that time there were two entities located in the park and there are now 10 organizations operating in the park so quite a lot of progress has been made in three years. Mr. Grindberg reviewed the Alien Technology project and the potential growth with that company alone.

Mr. Grindberg stated they are already looking ahead to when they have outgrown the area in the Research Park and that is what has led them to their discussions with the Airport Authority and obtaining a right of first refusal on 41.2 acres of airport land for possible expansion.

Mr. Pawluk stated his concern is that the tenants in the park will have a problem with the noise and vibration from the aircraft activity, since they are essentially located off the end of the runway.

Mr. Grindberg stated any issues the first buildings in the park may have are not the case with the other buildings. He stated the buildings now under construction are designed to withstand any of those noise and vibration issues. He added that they are very up front with the tenants and it is obvious that they are located right next to an airport. He also stated that he has not received any complaints.

Mr. Pawluk asked if the noise issues are covered in the leases the Park has with its tenants.

Mr. Grindberg stated they do not cover that in the leases but that is something they could take a look at doing.

Chairman Macdonald asked Mr. Grindberg to brief the board on its plans for development on the airport property.

Mr. Grindberg stated he does not think we are at that point yet. He indicated he will keep the board up to date on progress in the park.

Receive Terminal Study Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the terminal study is coming along. He stated Jim Young and John Yarnish, URS, will be here on Thursday and we will look at their analysis and forecasting reports.

Mr. Stroh stated the facility, as far as structurally and codes, is in pretty good shape. He stated the only hiccup is for some reason the code officials have this building down as a fully sprinkled building but it is not. He stated we would probably have had to fully sprinkle it anyway with what the code states today, but with any substantial addition to the building the code officials will take that opportunity to update the building. Mr. Stroh stated there are some mechanical updates that will need to be done but all of that will be in the report.

Mr. Stroh stated after the meeting on Thursday we will be able to start seeing some conceptual things with regards to solving the issues we are discussing. He stated there has been a lot of paperwork that has needed to be done up to this point, but all of this information has been necessary in order to come up with options.

Receive Terminal Study Update: (Continued)

Mr. Stroh stated we are already aware of some issues that need attention even before the studies have been completed, such as the security screening area and space for US Customs to clear international charter flights.

Discussed Airfield Equipment Sale and Replacement:

Mr. Dobberstein stated we have had the 1942 snow blower around for many years but have not used it for about five years so we feel it is time to part with it. He stated we have a couple of options, either the City's auction or we have pursued various collectors through Oshkosh and they did identify one party in New York interested. He stated there were a few airports interested in it until they found out it does not have power steering. He stated we also have an old tractor that needs replacement and estimated cost for that replacement is \$22,000-\$25,000.

Mr. Pawluk stated he feels it may be worthwhile to advertise the old snow blower on e-bay.

Mr. Dobberstein stated the only other item for auction is an older pickup we have replaced. He stated the auction will be either this fall or next spring.

Receive Update on Advertising for Additional High Speed Airfield Broom:

Mr. Dobberstein stated this has been on our capital improvement plan list for at least the past three years. He stated Darren Anderson and the airfield staff has been working on specifications. He stated we have had some snow events recently where another broom would have been beneficial. He stated we would draft specifications and advertise for bids so that we could have the unit available early in 2006. He stated the estimated cost is \$400,000.

Received Update Regarding Proposed 32nd Avenue North Paving Project:

Mr. Dobberstein stated we replaced the bridge on 32nd Avenue North with a concrete culvert as part of our Runway 17/35 Reconstruction Project, eliminating the need for the contractor to construct a temporary road for access to Taxiway A. He stated for a number of years the cemetery associations along 32nd Avenue North have had a desire to see that road paved. He stated the City of Fargo hired Ulteig Engineers to do a preliminary design study, which was completed a few weeks ago. He stated it was suggested that we could extend the contract amounts with the current contractor, Shafer Contracting, but the clock is ticking on that and they are close to finishing our project. He stated right now the project is estimated at \$300,000, based on our current bid prices. He stated right now it is in the hands of the Mayor and City Engineer (Mark Bittner) to meet with the cemetery associations regarding special assessments.

Chairman Macdonald stated the Guard is looking at moving their main entrance and they are considering 32nd Avenue.

Mr. Dobberstein stated if we run out of time for the opportunity to extend our contract with Shafer then the City will have to start from scratch.

Mr. Dobberstein stated he will have an update at the next meeting.

Discuss South General Aviation Area Storm Sewer Projects:

Mr. Dobberstein stated we have been fighting some water issues for quite some time now in the south general aviation area by the igloo, Hangar 9 and Hangar 2. He stated Ulteig Engineers has put together some preliminary plans to handle these water issues.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they put together a plan to put a couple of storm sewer inlets in those areas that collect water. He stated this is not a major project so he selected informal bids from a couple of contractors. Rising Sun was not interested in providing a bid and Gnoinsky provided a proposal of \$11,642.00.

Mr. Anderson moved to authorize Ulteig Engineers to proceed with the proposed south general aviation area storm sewer projects and that the project be awarded to Gnoinsky Bros. Construction based on their bid of \$11,642.00.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

Mollie Crawford, TSA, was recognized and extended congratulations to the board on the record boardings in July. She stated they are actively trying to acquire a second x-ray unit so they are able to put passengers through that much faster. She stated the TSA went through a nationwide reallocation of screeners and they did not see any reduction in screeners. She stated they are trying to optimize their human resources in Fargo. She stated they will continue to give the best service they can.

Mr. Darren Anderson indicated he had nothing to report on security.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated Shafer has finished Taxiway-E on the west side and it is in use. He stated all of the pavement is in on the east side and they are working on lights. He stated all of the gravel base in is for the perimeter road extension and paving will begin as soon as weather permits. He stated they are starting to wrap up the project and disassemble the project staging site and taking the gravel off the site. He stated the biggest thing left is the perimeter road.

Other Business:

Mr. Bernie Ness was recognized and stated he would again like to thank the Airport Authority for the lighting improvements in the south general aviation area. He stated the improvements are certainly appreciated. He stated he is looking forward to the drainage improvements as it will cut down the mosquito population considerably.

Other Business: (Continued)

Mr. Dobberstein stated we will be doing some modifications to our overhead gate on the west side of the terminal building. He stated there were some vehicles that were not able to get through because of clearance so we will be modifying that to add some height (from 12' to 14'). He stated we have received a proposal from Dakota Fence in the amount of \$8,000, which will include some routine maintenance as well.

Mr. Pawluk stated after the recent aircraft incident in Toronto he wondered how we would handle a similar incident at this airport and how we would respond.

Mr. Dobberstein stated he has maintained a level of confidence ever since we began working with the Guard and agencies throughout the city, F-M Ambulance, hospitals, etc. He stated we have a tabletop exercise every year and a full exercise every three years. He stated all of the agencies work well together.

Mr. Pawluk asked if the exercise has ever been conducted in the winter.

Mr. Dobberstein stated we have never conducted our emergency drill in the winter but the Guard has probably done winter training.

Mr. Pawluk stated he is very pleased with the response and all of the action that takes place here to simulate those situations, but he does have a concern about having a major aircraft incident in the winter. He stated he would suggest expanding the exercises to include winter conditions.

Mr. Darren Anderson stated there are concerns about dangers involved with conducting an exercise in the winter.

Chairman Macdonald stated that could be looked at during their next tabletop.

Mr. Dobberstein stated the Guard runs a lot of exercises and they know what they are doing.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 23, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:59 a.m.

Regular Meeting

Tuesday

August 23, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 23, 2005, at 8:00 a.m. in the Airport Boardroom. (Actual start time of the meeting was 7:56 a.m. as clock in the building were approximately four minutes fast.)

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 9, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held August 9, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$41,016.42:

Mr. Pawluk moved to approve the airport vouchers totaling \$41,016.42.
Second by Mr. Anderson.
On the call of the roll, members Anderson, Pawluk and Macdonald voted aye.
Absent and not voting: Clark, Kilander.

Approved the Individual Voucher to Sixel Consulting:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,020.00 to Sixel Consulting for payment request for first quarter 2005 passenger report.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk and Macdonald voted aye.
Absent and not voting: Clark, Kilander
The motion was declared carried.

Approved the Individual Voucher to Federal Aviation Administration:

Mr. Anderson moved to approve the individual voucher in the amount of \$3,398.36 to the Federal Aviation Administration for Partial Payment Request for construction of NAVAIDS for the Runway17/35 Reconstruction Project, AIP30.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Approved the Individual Voucher to EideBailly:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,300.00 to EideBailly for payment request for the airport share of AIP 29 grant audit.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$31,664.13 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, AIP30.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$46,132.80 to Shafer Contracting for Partial Payment Request #1 for construction of Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Anderson moved to approve the individual voucher in the amount of \$402,492.68 to Shafer Contracting for Partial Payment Request #2 for the construction of Runway 17/35 Reconstruction Project (Phase II), AIP30.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Clark now present.

Received Update Regarding Tenant Financial Review Program:

Mr. Dobberstein stated in our continuing program of financial reviews for airport tenants it is time to review the car rental agencies. He stated this past July, Mr. James Ford of EideBailly sent letters to the five agencies regarding the procedure. He stated Avis, Budget and National/Alamo have indicated they will be selecting another firm, which is their prerogative according to their lease. He stated the tenants are obligated to pay for 50% of the cost of the review.

Kilander now present.

Mr. Dobberstein stated the other firm selected could not be an accounting firm which currently provides financial services for the particular agencies. He added that if the Airport Authority is not satisfied with the review we can have EideBailly or another firm review that firm's results.

Mr. Dobberstein stated this is just an informational item at this time.

Discussed Airport Liability Insurance Renewal Process:

Mr. Dobberstein stated he is not certain of the entire history of the airport liability insurance and how the broker has been selected. He stated for many years we have worked with the same broker the City of Fargo uses and that is currently Marsh. He stated last year Marsh was accused of improprieties (price fixing). He stated we can certainly still work with Marsh.

Mr. Dobberstein stated that Northstar Insurance (Marc Lepage) is located on the airport and has indicated an interest in providing this service. He stated the last several years the insurance companies have not been willing to provide premium quotes until the 11th hour. He stated the companies that provide airport liability insurance will not quote until about two weeks before the renewal date.

Mr. Dobberstein stated Mr. Lepage feels he is capable of representing us in the insurance market. He stated Mr. Lepage currently provides coverage for the airports in Minot and Bismarck. He stated he is not aware of any contract we have with Marsh but he will confer with Attorney Stewart.

Discussed Airport Liability Insurance Renewal Process: (Continued)

Mr. Pawluk stated he would like to request from any potential broker, a written statement at how they arrive at their fee, which should not be a secret, and see where there would be an advantage for the airport. He stated he would be in favor of keeping the business local if we can.

Mr. Dobberstein stated he will review the matter with Attorney Stewart. He also stated it is probably time to do a risk management update with AON. He stated he is not sure what that will cost but that is the firm the City of Fargo uses for their risk management. He stated we are finding that some of the requirements AON recommended in 1998 are no longer able to be met by the smaller tenants, such as general aviation aircraft and hangar owners. He stated coverage that was available in 1998 is no longer available today. He stated he would come to the next meeting with more information.

Receive Terminal Study Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they have updated the folders for the board members. He stated when URS was here the last time we added quite a bit of information. He stated now that we have completed the assessment phase we will now be getting to the point of actually being able to start looking at some pictures at the second meeting in September. He stated the folders contain reports on the results of the assessments. Mr. Stroh stated the building is 20 years old and there are some items that will need attention. He stated in our next group of meetings with URS we will be discussing items like improving the security checkpoint, requirements for US Customs, etc. He stated Mr. Jim Young will be in Sioux Falls next week and he will be touring their facility for clearing US Customs flights which is similar to what we are considering. Mr. Stroh stated things are moving along.

Mr. Stroh stated the ticket counter areas are currently adequate and could accommodate two more airlines. He stated in looking at the national norm for terminal square footage based on passengers there are some areas in the terminal we are over the norm and some areas we are way under. He stated right now the bottleneck is on the second floor in front of the checkpoint.

Mr. Anderson asked Ms. Mollie Crawford, TSA, to comment on the status of their acquiring an additional x-ray machine.

Ms. Crawford was recognized and stated they have been successful in acquiring a second x-ray unit. She stated it is the same technology they currently have so no additional training will be required. She stated they anticipate its arrival and installation on September 12. She stated unfortunately it does not come with additional staff so they will be very creative and deploy their people to the best possible advantage. She stated it might necessitate a different queue design to direct Northwest passengers to one side and United passengers to the other so there is not that cross-over of passengers in a congested area.

Mr. Anderson stated according to this forecast data, in 20 years we will need a fifth gate, so if we have four now we probably do not have to add a gate at this time.

Mr. Dobberstein stated four is fine for the two airlines we have now, as they each have two flights overnight. He stated if there were other airlines with overnight aircraft it would require a lot more coordination with the airline ground crews.

Receive Terminal Study Update: (Continued)

Chairman Macdonald stated with our plans for a dedicated area for clearing international flights through US Customs a fifth gate will almost be necessary. He stated it would be very difficult to accomplish that without an additional gate.

Mr. Pawluk stated one of the areas that will drive the decisions that have to be made in this process is what happens in the rest of the state. He stated we concentrate on a certain radius around Fargo but then there are those cities that overlap with the radius around both Grand Forks and Bismarck and people in those areas can choose to fly out of either airport. He stated we have to ask whether or not we are attracting those people now. He stated it seems to him that as time goes forward we may gain more flights and some of the other markets may lose flights, so we want to have a facility that gives us the flexibility to accommodate that additional traffic. He stated that is the great unknown. He stated with the changes in the air transportation industry it is not unreasonable to think that we will add more flights and other communities may not be able to match that growth.

Mr. Stroh stated they will have a "shopping list" of items for the board to consider. He stated some might be maintenance items and other will be image items they may recommend. He stated the final plans will be adequate for the next 20+ years.

Review Preliminary 2006 Airport Marketing Program:

Mr. Dobberstein stated this item should not have been on the agenda until the next meeting (September 13). He stated Flint Communications will make their presentation at that time.

Chairman Macdonald stated he would certainly have to say that our marketing program has been successful.

Review Proposal to Replace and Upgrade Airfield Electrical Generator Fuel Tank:

The communication from O'Day Equipment dated August 22, 2005 was received and filed without objection.

Mr. Dobberstein stated that Mr. Henry Swedberg, our airfield maintenance supervisor, has for some time recommended that we replace the underground fuel tank for the airfield electrical generator. He stated because of the excavation near the electrical vault in connection with the current project he felt it would be a good time to do this.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the road going into the electrical vault site was being repaved as part of the current project. He stated the 300 gallon tank is underground and has been there since 1983. He stated the tank has no cathodic protection, no leak detection or spill overfill. He stated it is a small enough tank where it did not have to meet all of those requirements at that time.

Mr. Synhorst stated they estimated the cost for an above ground, self contained, two hour fire rated tank right next to the building. He stated the estimate for the project is \$21,000 to \$25,000. He stated they will put together plans and specifications and get two or three informal quotes.

Review Proposal to Replace and Upgrade Airfield Electrical Generator Fuel Tank: (Continued)

Mr. Synhorst stated before they move ahead, there are plans in the future to upgrade the electrical vault and a larger generator so they are going to look at whether or not the 300 gallon tank will be adequate or if it should be larger.

Mr. Kilander asked if it would be reasonable to look at natural gas for the generator rather than diesel then you don't have any storage facilities. He stated if the existing generator does not have that many hours on it there would certainly be salvage value.

Mr. Anderson stated we would not necessarily have to buy a new generator. He stated there are lease programs available. Mr. Anderson asked if this decision needs to be made today.

Mr. Dobberstein stated the main issue is with the contractor's time as they will be done with the project soon.

Mr. Dobberstein indicated we would have more information on a natural gas generator at the next meeting.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the project is almost complete. He stated they are working on the final paving of the perimeter road. He stated they will be getting together a punch list for the project. He stated the specifications call for a completion date of September 15, 2005 and the contractor has asked for two more weeks because of a wet June, but he is not certain that is necessary. He stated it does not matter to him and that would be up to the board to decide. He stated they are starting to tear up the construction staging area and the piles are disappearing.

Mr. Synhorst stated we did talk to Shafer about paving 32nd Avenue North (cemetery road) and they sent us to their subcontractor, Border States Paving. He stated Border States indicated they would need another \$1.00 per ton for the asphalt due to oil prices, which would amount to an increase of \$2,700. He stated the dirt subcontractor indicated he could not do the job as he is behind. He stated right now they are getting the plans wrapped up and if Shafer could get another dirt subcontractor we still may be able to get the project done.

Mr. Dobberstein stated he does not have any issues with amending the Shafer Contract to get what they can get done this fall and then pave it next spring. He stated we will not have another opportunity to get this road paved in the current contract environment. He stated the County has approved \$30,000 toward the project.

Mr. Dobberstein stated the FAA Airports District Office in Bismarck received our project closeout for the 2003 project, which included south general aviation improvements. He stated the total project costs exceeded the grant amount by \$98,539.00 and the FAA found some year end money and are amending our grant to include the additional costs.

Mr. Darren Anderson indicated he had nothing additional to report on security.

Other Business:

Mr. Dobberstein stated on August 30 at 1:00 he is going to meet with representatives of Northwest Airlines, State of North Dakota and the Guard at the site of the old Northwest fuel farm which Northwest is planning to clean up. He stated the State of North Dakota is going to go through and decide exactly what needs to be done, so they may get to it yet this fall.

Mr. Dobberstein gave an update on any affect the Northwest Airlines strike has had on service in Fargo. He stated there were a couple of inbound and outbound flights cancelled yesterday but the Northwest crew did a good job accommodating all of the passengers on those flights.

Mr. Dobberstein stated WDAY-TV erroneously reported that Fargo would be losing over 600 seats per day with Northwest's schedule change in October. He stated it was inexcusable for them to report such information. He stated the following morning Senator Dorgan was here with representatives from Grand Forks and had a conference call with Northwest Airlines. He stated as it sits now, the October schedule will give us 49 fewer seats per day than the October 2004 schedule. He stated our concerns with the October schedule are the number of seats coming into the market prior to noon. He stated as of last Friday it was only 32 seats, but we are fairly confident that will be upgraded to at least a 50 seat jet or something larger. He stated we are continuing to work with Northwest on that matter. He stated overall the schedule change is a non-issue and not a news event, but for some reason the media did not understand. He stated WDAY-TV assumed that every aircraft that came in was a DC9-50 and they did their own mathematical calculation to come up with 600 seats being lost. He stated not only did they run the story at 6:00 pm but they also ran it at 10:00 pm, after pleading with them not to run the story because it was false. Northwest's Corporate Communications intervened the following day and tried to resolve that. He stated then the next day WDAY-TV had the audacity to report that "because of their report" Northwest Airlines then contacted them with the actual information. He stated that Jeff Zent and Andrea Domaskin, reporters with The Forum did do a great job reporting the story but our frustration was with WDAY-TV.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 13, 2005 at 8:00 a.m.

Time at adjournment was 9:08 a.m.

Regular Meeting

Tuesday

September 13, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 13, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Pawluk initially presiding as Chairman.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 23, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held August 23, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$26,433.45:

Mr. Anderson moved to approve the airport vouchers totaling \$26,433.45.
Second by Mr. Kilander.
On the call of the roll, members Clark, Kilander, Anderson and Pawluk voted aye.
Absent and not voting: Macdonald
The motion was declared carried.

Chairman Macdonald now present and Vice Chairman Pawluk relinquished the chair to Chairman Macdonald.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$2,380.86 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the 23rd Avenue North Fence Relocation Project.

Second by Dr. Clark.

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

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$14,659.92 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Dr. Clark.

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Kilander moved to approve the individual voucher in the amount of \$53,868.31 to TL Stroh Architects for Partial Payment Request #1 for Terminal Expansion Study.

Second by Dr. Clark.

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

Approved the Individual Voucher to Shafer Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$54,155.97 to Shafer Contracting for Partial Payment Request #12 for Runway 17/35 Reconstruction Project, AIP29.

Second by Dr. Clark.

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

Approved the Individual voucher to Shafer Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$498,607.23 to Shafer Contracting for Partial Payment Request #3 for Runway 17/35 Reconstruction Project (Phase II), AIP30.

Second by Dr. Clark.

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

Approved the Individual Voucher to Shafer Contracting:

Mr. Kilander moved to approve the individual voucher in the amount of \$21,000.00 to Shafer Contracting for Partial Payment Request #8 for the NDANG Arresting System Project.

Second by Dr. Clark.

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

Reviewed Preliminary 2006 Airport Marketing Program:

Mr. Dobberstein stated representatives from Flint Communications are here today to outline their proposal for the 2006 airport marketing program.

Ms. Christy McLachlan, Flint Communications, was recognized and introduced Mr. Jerry Lien, creative director, and Maureen Olson, producer and director. She distributed packets with budget information and creative proposals. She stated their plan is to get started on production of the ads so they are ready to go the first of the year. She stated for the newspaper ads they are changing the theme a little bit from "Fly Home, Fly Fargo" to "FLY FAR" (the airport's code). She stated they will make updates to the airlines, adding Allegiant. She stated the printed ads will be done in black, white and red. She stated they may also use some of the printed ads for future billboards.

Ms. McLachlan stated the last commercials were produced about three years ago and have been running during that time, which is about the lifespan of a commercial. She stated they have four ideas for television commercials to present (Loading Zone, Kids, Homecomings, Computer Screen). She stated one of the commercials (Loading Zone) will be much more expensive to produce than the other three options so to stay within the budget that is the only one that could be produced. She explained that the other three would be about equal and the board could either choose two of those options or the one more expensive commercial.

Ms. McLachlan stated for the radio advertising this year they are proposing to discontinue the 60 second live interactives and just going with the 30 second commercials. She stated they are also proposing doing some advertising on The Forum's website (in-forum.com)

Ms. McLachlan stated they have also prepared a proposal for an update of the airport's website to mirror the advertising program so it look familiar to people.

In answer to a question from Mr. Anderson, Mr. Dobberstein stated that the Airport Authority does not currently have a contract with Flint Communications but this is simply a renewal of the program. He added that proposals were solicited when we began the marketing program and Flint Communications was selected.

Mr. Anderson commented that he feels Flint is doing a good job. He stated as far as selecting from the four options he feels we should leave that up to the professionals.

After further discussion it was the consensus that the Flint staff should decide on which commercials to produce.

Mr. Williams suggested the airport look into streaming some advertising on the City of Fargo's website and check on a link to the airport's website.

Mr. Pawluk stated the total of this proposal is \$108,010 and he would like to see us hold the amount at \$100,000.

Reviewed Preliminary 2006 Airport Marketing Program: (Continued)

Chairman Macdonald stated this year's total includes the production costs for the commercials, which will run for three years, so we will not have those costs for the next two years.

Mr. Anderson moved the Airport Authority accept the proposal from Flint Communications for the 2006 marketing program, not to exceed \$108,010.

Second by Dr. Clark.

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

Pawluk voted no.

The motion was declared carried.

Chairman Macdonald stated he is not sure our marketing program is successful, but our passenger count keeps going up so something is working.

Mr. Pawluk stated even though he voted no on the motion he did not want it construed that he does not support the advertising program. He stated his objection was due to the fact that it was over the \$100,000 budget that had been discussed previously.

Mr. Dobberstein explained that the total airport marketing budget for 2006 was \$130,000, with \$100,000 earmarked toward this portion. He stated the remaining portion was for advertising for additional airlines or marketing funds for FBOs on the airport so there will be less for those uses, but we are not going over budget. He stated since the production costs for three years will be in the 2006 costs we should see lower costs the following two years.

Ms. McLachlan stated we have also added advertising in the Prairie Business magazine which is \$4,068 for 2006.

Mr. Dobberstein stated the ads in Prairie Business have been very popular and we have gotten a lot of response from those ads.

Received Update on Air Service Grant:

Mr. Dobberstein stated with the assistance of Mr. Mark Sixel, Sixel Consulting Group, we applied for a small community air service grant with the US Department of Transportation and we have been advised that we were awarded the grant in the amount of \$675,000. He stated we received two copies of the grant and have worked through a few issues with the DOT. He stated there has been a slight change in language from the initial grant. He stated now instead of six months from the inception of the grant we have nine months to initiate an agreement with America West or another low fare carrier for service to Fargo. He stated with the changes at America West and since their signing onto the grant earlier this spring we did not feel the six month time frame was enough so it was changed to nine months. He stated with the increased cost of fuel and their proposed merger with US Airways the process has been more challenging. He stated the number of mainline aircraft they will be parking with US Airways will require them to take the jets they would have used to serve Fargo and other markets and put them into backfill markets for the mainline aircraft. He stated the grant amount was based on 86 seat CRJ-900.

Mr. Dobberstein stated there were some other clarifications in the grant and any expenses by the airlines must be incurred before being reimbursed to the airline. He stated money cannot be advanced to any carrier before expenses are incurred.

Received Update on Air Service Grant: (Continued)

Chairman Macdonald stated he has suggested that if US Airways says “no” they cannot come, we need to be prepared to make the grant offer to another low cost carrier.

Mr. Dobberstein stated the grant requires that we first exhaust all efforts with America West (US Airways). He added that with the incentives that Mr. Sixel has in his contract with us we can be sure that he is monitoring this situation very well.

Mr. Anderson moved to authorize the execution of the small community air service grant awarded by the Department of Transportation.

Second by Mr. Pawluk.

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

Terminal Study Update:

Mr. Dobberstein stated that Mr. Terry Stroh indicated he would have a report at the next meeting.

Received Update Regarding Fargo Park District Interest in Leasing Airport Property:

Mr. Dobberstein stated that some time ago the Fargo Park District was before the board indicating their interest in leasing two tracts of land for park sites. He stated one location is 7.5 acres just north of the Riviera Heights Mobile Home Park, and the second is the farmstead site on the Marcil property purchased recently. He stated they had initially talked about 16 acres at that site but they are now interested in expanding that to 28 acres to add more football and soccer fields. He stated they would even like to start moving dirt this fall after the crop has been harvested. He added that we are still trying to find someone interested in the house.

Mr. Dobberstein stated the lease with the Fargo Park District will be the same as our lease with them for the soccer complex. It will be a 20 year lease at a rate equal to the average price per acre of our farm leases, and the lease will, of course, include the clause that should the airport need it for airport expansion purposes the land would be returned to the airport.

Mr. Dobberstein stated this is a good use of the land and demonstrates our desire to be a good neighbor in the area. He stated we have not had any other proposed uses for the land other than farming.

Mr. Pawluk moved to approve leases between the Airport Authority and the Fargo Park District for the two parks as proposed.

Second by Mr. Anderson.

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

Mr. Pawluk stated that we will need to place the standard sign in each park recognizing that the land is owned by the Municipal Airport Authority and there is the possibility that it could be returned to the Airport Authority if necessary.

Considered Change Order #9 to Shafer Contracting for an Increase of \$13,206.50 for Runway 17/35 Reconstruction Project (AIP29 and AIP30):

Mr. Steve Synhorst, Ulteig Engineers was recognized and stated there are two items in this change order. He stated the first item is \$11,000 for the Guard's portion of the project which was to widen the concrete for the barrier trough. He stated the remainder is for the Taxiway A portion of the project and the costs associated with closing the taxiway during the air show.

Mr. Kilander moved to approve Change Order #9 in the amount of \$13,206.50 to Shafer Contracting for the Runway 17/35 Reconstruction Project (AIP29 and AIP30).

Second by Dr. Clark.

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

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

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the Runway 17/35 Reconstruction Project won the National Concrete Paving Award for 2005 by the American Concrete Pavement Association and Concrete Construction magazine. He stated the award will be presented on December 2nd in Indian Hills, CA. He stated they would like to have a representative of the airport at the awards presentation.

Mr. Synhorst stated this is a good feather in the cap for the state of North Dakota and Shafer Contracting did an excellent job on this project.

Mr. Pawluk moved the Airport Authority authorize the Chairman or another representative to attend the awards presentation on December 2.

Second by Mr. Kilander.

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

Ms. Mollie Crawford, TSA, was recognized and passed on greetings from Mr. Jon Holman who was voluntarily deployed by the Department of Homeland Security to Baton Rouge, LA to assist in the hurricane recovery effort. She also stated their second screening machine arrives on Friday and they hope to have it installed on Monday. She stated they expect to have a smooth transition.

Other Business:

Mr. Dobberstein stated we are continuing to work with the City Forester on tree projects at the airport. The Authority previously approved the planting of spruce trees along the north general aviation area access road. He stated they estimate it will take about 220 three foot spruce trees and they estimate the cost to be about \$90 each. He stated he will report back to the board when he gets further details. He stated there are also a number of spruce trees in the Marcil farmstead property which will be moved to appropriate areas.

Other Business: (Continued)

Mr. Dobberstein stated he is still working with the engineering firm representing Northwest Airlines, and also the representatives of the State of North Dakota on the clean-up of the old fuel farm area. He stated since our last meeting we have learned that the cleanup is not eligible under the North Dakota Petroleum Tank Release Fund as was previously through, so the project may be delayed since the cost to Northwest Airlines will be increased. He added that with quite a few of the guard members from engineering being deployed to the hurricane area has also delayed the project.

Chairman Macdonald stated the Hooligans are making a name for themselves in Mississippi. He stated just one example is a nursing home down there that had contractors working on the air conditioning for two days and they finally said they can't fix it, took their tools and left. The guys from the Guard went over there and in an hour and a half had it up and running.

Chairman Macdonald gave a brief report on the BRAC proceedings. He stated the firefighters and the fire station facilities will remain in Fargo. He also stated that the 119th will also get a manned flying mission but we are just not sure what it will be. He stated we will continue pushing very hard.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 27, 2005, at 8:00 a.m.

Time at adjournment was 9:03 a.m.

Regular Meeting

Tuesday

September 27, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 27, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 13, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held September 13, 2005 were approved without objection.

Approved the Airport Vouchers Totaling \$20,438.37:

Mr. Kilander moved to approve the airport vouchers totaling \$20,438.37.
Second by Dr. Clark.
On the call of the roll, members Clark, Kilander, Anderson and Macdonald voted aye.
Absent and not voting: Pawluk
The motion was declared carried.

Pawluk now present.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$34,765.72 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Runway 17/35 Reconstruction Project (Phase II) AIP30.

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

Received Air Service Grant Update:

Mr. Dobberstein stated that we were advised by America West Airlines that they have declined to accept the air service grant and we are working on some other opportunities to utilize the grant. He stated we have nine months from September 14, 2005, to enter into an agreement with a carrier acceptable to the DOT. He stated he and Mr. Sixel will continue to work on that.

Chairman Macdonald stated the grant was written for a low cost carrier but asked if Mr. Sixel thinks that is in concrete or if it could be amended.

Mr. Dobberstein stated we think it could be amended but we are not certain.

Williams now present.

Receive Terminal Study Update:

Mr. Terry Stroh and Mr. Devin Mogck, TL Stroh Architects were present.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated today he wants to talk about different options they have come up with for the terminal expansion project and they want to get a feel from the board about what direction they should take. He stated URS will be here again on October 11 and between now and then we are going to start defining a couple of concepts after input received from the board today.

Mr. Stroh stated we are really looking at three separate core areas:

1. A west addition that would allow us to accommodate Customs, an additional gate and more baggage claim area.
2. The central core which includes the security checkpoint and circulation areas.
3. East component addressing the matter of location for the baggage screening personnel.

Mr. Stroh stated in addition to these three core areas there will be some other "shopping list" items. He stated one item that will have to be addressed is that when the building is added onto the entire building will have to be sprinkled. He stated there will probably be an issue with the roof since it is 20 years old. He stated another issue may be the generator and whether or not the current generator would be adequate or if an upgrade is needed.

Mr. Stroh stated today's presentation is a little more conceptual and after showing the board the options they have come up with so far they hope to have some idea from the board which direction they should take.

Mr. Stroh stated one approach would be to stay within the current structure and address needed space issues, such as the checkpoint and meet/greet area by bringing a platform from the second floor area by the elevator all the way out to the front vestibule.

Mr. Stroh stated as with any building that is 20 years old, we could sit and pick it apart and point out things that need improvement and areas where technology has improved over the 20 years, but overall, when people walk into this building they are still impressed with the building. He stated part of that is the fact that you are walking into two stories of open space. He stated the concepts in this first approach kind of ruin that impressiveness of the building but they felt it was certainly an option.

Received Terminal Study Update: (Continued)

Mr. Mogck stated a second option leaves the stairs, escalators and elevator as they are and expands the building out toward the ramp (north). He stated that option would expand the meet/greet area and get the passenger screening area all in that space. He stated included in this option is an expansion of about 72' to the west. This option would also create some storage space on the first floor in the airline operations area for equipment, etc. He stated the passengers from international flights would be able to go directly down to the first level to a baggage claim area rather than going to the center of the building and coming down the main stairs, escalator, and elevator. He stated at this time there is no plan for an escalator but using the existing stairway and adding an elevator.

Mr. Stroh stated so far in the planning process there are no changes to the car rental facilities. He stated one of the shopping list items is new escalators. He stated the current ones work but they are very narrow. He added that those could be replaced one at a time if necessary. He stated that may be one of those items that will be done at a later date.

Mr. Stroh stated Mr. Jim Young, URS, is still doing some research on passenger boarding bridges. He stated both Mr. Young and Mr. Steve Synhorst, Ulteig Engineers, feel there is plenty of ramp space to allow building expansion to the north.

Mr. Mogck reviewed the second floor expansion to the west. There would be additional office space created from Customs and Border Protection and the TSA.

Mr. Mogck stated in one of the floor plans proposed the MAA Administrative offices would lose their window exposure, but they came up with a larger option moving the offices to the expanded area and renovating the existing space to accommodate Customs and TSA. He stated this would also allow for expansion of the giftshop.

Mr. Stroh stated another option would be to add a third floor giving the staff the ability to have visual access of the airfield.

Chairman Macdonald stated he does not like the idea of expanding toward the ramp, but if the airlines don't have a problem with it he probably shouldn't.

Mr. Stroh stated adding onto the building on the north side toward the apron is simpler from the standpoint of construction. He stated as far as the checkpoint lines, in their research so far, designing the checkpoint for three lines would certainly be more complicated than two, and they feel that two well designed lanes would take us far into the future.

Mr. Stroh stated in their minds, they rank the three areas as follows:

1. Center area (checkpoint, meet and greet areas)
2. West area (additional baggage claim, offices on second floor)
3. East area (ticket counter areas and airline operations areas)

Mr. Bob Anderson asked Mr. Stroh what he is looking for from the Airport Authority today.

Mr. Stroh stated they would like to get some idea about what direction the Airport Authority would like to take. He stated when URS is here at the next meeting he would like for us to narrow down the options.

Mr. Stroh stated this will not be an easy building on which to put an addition; however, the easiest would be to the north. He stated anything on the inside is going to be much more labor intensive.

Received Terminal Study Update: (Continued)

Mr. Anderson stated being in the construction business he knows it is much more expensive to remodel than it is to build new. He stated he would hate to destroy the entry to this facility. He stated we will have to resolve ourselves to the fact that whatever is added on the west side is going to look like an addition and will not necessarily match the rest of the building. He stated he feels we should go as far north as possible even if it means adding to the ramp.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated adding 50' to the ramp will be fairly cheap compared to the building portion.

Mr. Anderson stated his opinion is build new.

Mr. Stroh stated expanding to the north would give us additional space for equipment storage. He stated in the winter when the airlines need to keep some equipment indoors it is extremely crowded in that area and more space is definitely needed.

Mr. Williams suggested considering a geothermal system.

Mr. Stroh stated that has certainly been considered since expanding to the west will affect the existing cooling tower.

Chairman Macdonald asked Mollie Crawford, TSA, if they would be agreeable with having office space on the west side of the terminal.

Ms. Crawford was recognized and stated they would like that very much. She stated it would allow them to consolidate their staff in one area and one building and would cut down on a lot of back and forth driving from this building to their current office building on the east side.

Mr. Dobberstein stated he is not sure Customs and Border Protection would want to be on the second floor. He stated he would think they would prefer space on the main floor, but he cannot say for sure.

Chairman Macdonald stated it seems the consensus of the board is that we expand north toward the ramp, and that we go with the larger addition to the west since everything he knows about space is that it will be full right after it opens, regardless of the size.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated it is a natural idea to expand to the north. He stated as far as the area in which international flights will arrive, he stated he can't imagine any arrival of an airplane today which would not have access to an escalator. He stated he also agrees that the location of the current escalators is good but they need to be wider. He also stated that he would hate to see the airport staff put into internal offices as they spend a great deal of their lives in the office and can't imagine not giving them at least exposure to the west if not the airfield.

Mr. Anderson suggested considering a third floor for the administration offices if more space was needed for the international flights (charters) and Customs inspections.

Chairman Macdonald stated he thinks today's discussion has given the architect some clearer direction.

Mr. Stroh stated that URS will be here again on Tuesday, October 11.

Approved Change Order #10 to Shafer Contracting for an Increase of \$19,341.70 for the Runway 17/35 Reconstruction Project (Phase II) AIP30:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated this is Shafer Contracting's bonus on the last portion of pavement.

Mr. Anderson moved to approve Change Order #10 to Shafer Contracting for an increase in \$19,341.70 for the runway 17/35 Reconstruction Project (Phase II) AIP30.

Second by Mr. Kilander.

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

Receive Bids for Airfield Sweeper:

The bids for the airfield sweeper were received and filed without objection.

Mr. Dobberstein stated we received the bids for the airfield sweeper and have 30 days to award the bid. He stated Darren Anderson has been working on this project and will go through all of the bids and see if the low bidder meets specifications and if not who does meet specifications.

The item was tabled until the next meeting.

Received Update on Proposed Tree Planting Project:

Mr. Dobberstein stated the board previously authorized him to get proposals for planting additional trees along the north general aviation area entrance road. He stated initially the City Forester has estimated \$70-\$90 per tree but actual bids came in at \$138 per tree for a total of \$30,360, so we have moved that project on the back burner.

Received Airport Personnel Update:

Mr. Dobberstein stated one of our Airport Operations Attendants resigned recently. He stated this position was more of a night shift supervisor but we may bring someone in at an entry level position to begin with and will reassess the need for a supervisory position.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 11, 2005.

Time at adjournment was 9:25 a.m.

Regular Meeting

Tuesday

October 11, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 11, 2005, in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Macdonald

Absent: Clark, Pawluk

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 27, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held September 27, 2005 were approved without objection.

Approved the Airport Vouchers Totaling \$17,663.88:

Mr. Kilander moved to approve the airport vouchers totaling \$17,663.88.

Second by Mr. Anderson.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Gnoinsky Bros. Construction:

Mr. Anderson moved to approve the individual voucher in the amount of \$11,142.00 to Gnoinsky Bros. Construction for Partial Payment Request #1 for drainage improvements in the southeast general aviation area (MAA approved 8-9-05).

Second by Mr. Kilander.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to Customs Plastics:

Mr. Anderson moved to approve the individual voucher in the amount of \$924.60 to Customs Plastics for materials for the ticket counter shade prototype.

Second by Mr. Kilander.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Mr. Anderson moved to approve the individual voucher in the amount of \$20,349.73 to TL Stroh Architects for Partial Payment Request #2 for terminal expansion study.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$8,286.04 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Mr. Kilander.

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

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

Received Third Quarter 2005 PFC Report:

The PFC report for the third quarter of 2005 was received and filed without objection.

Mr. Dobberstein distributed the PFC Report for the third quarter of 2005. He stated we have collected \$820,167.97 year to date and are on track, and maybe a little ahead of projections, for the year.

Received Update on Airport Insurance Renewal:

Mr. Dobberstein stated we have been discussing the insurance renewal in the past couple of months and he stated he has indicated his interest in using Northstar Insurance for our liability coverage. Mr. Dobberstein stated that Mr. Pawluk had suggested we find out how the brokers arrive at their fees. Mr. Dobberstein stated he asked the question and the industry standard is 10%-15% commission paid by the insurance carrier to the broker, and that will vary depending on the carrier.

Mr. Dobberstein stated he also felt it was time for AON to do an updated evaluation of our coverage and the general provisions we have in our leases. He stated he contacted Mr. Jeff Herman, AON, a few weeks ago and they have been reviewing our coverage as well as our tenant

Received Update on Airport Insurance Renewal: (Continued)

requirements for coverage. He stated their review so far has found that our policy limit of \$100 million is in the ballpark for an airport our size. Their review also indicated that for smaller regional airports there are relatively few insurers competing for the business so the coverage becomes somewhat boiler plate without huge differences in coverage. One carrier is not going to offer significantly broader coverage than the next to airports of our size. There are basically three insurers that will provide coverage to airports our size and they are: Ace, Global Aerospace (London), and AIG. He stated they also indicated that they felt the premium that we paid last year was reasonable for the \$100 million in coverage. He stated this is their cursory review so far. They will be going a little further in depth to review liability coverage for air shows, etc.

Mr. Dobberstein stated it is still his desire to use Northstar Insurance as our broker, but he has not yet had a conversation with Alan Winters at Marsh.

Received Update on Proposed 32nd Avenue North Paving Project and Consider Conditional Change Order:

Chairman Macdonald stated this section of 32nd Avenue North (west of University Drive) provides access to four cemeteries. He stated the Guard plans to move their main entrance to 32nd Avenue North and the paving of that road will also allow the airport access to the field for construction projects, eliminating the need for future construction roads.

Mr. Dobberstein stated the cemetery associations have for sometime wanted 32nd Avenue North paved. He stated the airport owns all of the land on the north side of that road so the airport's share of that assessment would be fairly extensive if the City of Fargo were to pave it and assess the costs. He stated a group of interested parties met last week and reviewed the cost of the project. He stated our contract with Shafer Contracting for the runway project allows us to extend quantities and issue a change order to pave that road. He stated the estimate to pave the road came in at \$267, 770.61, which does not include any engineering costs. He stated the City of Fargo has already retained and paid Ulteig Engineers \$20,335.00 for design and engineering services. He stated the City did that on their own. He stated the City came up with some formulas on how the project would be split among the property owners. He stated although the Guard is a property owner along that road they do not have any money for the project and will not contribute toward it. He stated the thought was that it would be split three ways among the Airport Authority, the cemetery associations, and the City of Fargo (approximately \$100,000 each). He stated right now the cemetery associations (Hebrew congregation, Temple Beth El, Cass County and Holy Cross) are meeting among themselves to discuss the numbers provided to them to make sure they have the funds in tact or we will not move ahead with the project. He stated he and Attorney Stewart met with Mark Bittner, City Engineer, to figure out a way to move this project forward. He stated he would like the Airport Authority to approve a change order for Shafer to do this project, subject to the other entities entering into a reimbursable agreement with the Airport Authority, as we would pay Shafer and they would reimburse the Airport Authority for their shares. Mr. Dobberstein stated the total estimated cost of the project is \$330,000.00.

Received Update on Proposed 32nd Avenue North Paving Project and Consider Conditional Change Order: (Continued)

Mr. Kilander moved the Airport Authority approve the change order to Shafer Contracting for the paving of 32nd Avenue North, contingent upon counsel approving the necessary safeguards for reimbursement.

Second by Mr. Anderson.

Mr. Anderson asked how the Airport Authority would benefit from this improvement.

Mr. Steve Synhorst, Ulteig Engineers, stated this road being paved would provide access to the airfield for future projects. He stated for the runway project we removed the old bridge over the country drain and added a box culvert to allow the use of the road for the runway project. He stated this is an opportunity to get the road paved at a fairly reasonable price since we are able to issue a change order to the existing project. He stated if the Guard puts their fire station in that area that road would also provide access to the fire station.

Mr. Dobberstein stated there is 5,500 feet of frontage and the airport has half of that, 2,750 feet. He stated the unit cost per front foot is \$60.00. He stated if the entities are not able to come up with the funds now, the option in the future is to create a special assessment district and that is going to cost everyone a lot more money.

Mr. Dobberstein stated he cannot recommend proceeding with the project if we do not have the reimbursable agreements in hand.

Chairman Macdonald called for a vote on the motion.

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

Absent and not voting: Clark, Pawluk

The motion was declared carried.

Receive Update on Airfield Runway Sweeper Unit:

Mr. Darren Anderson stated the bids were presented to the board at the last meeting and the apparent low bidder was Kodiak Northwest (\$354,990.00) but we question whether or not they met the specifications so we have presented them with a long list of items to address.

Chairman Macdonald stated he reviewed the specifications with Darren and it is obvious that they don't meet the specifications.

Mr. Darren Anderson stated the specifications were not proprietary and not written to leave anyone out. He stated they are able to build what we specified but it would be a prototype as the equipment they build does not currently meet those specifications. He stated the next bidder is Sheehan Equipment with an Oshkosh unit for \$440,880.00. He stated he would have more to report at the next meeting.

Received Request from RL Engebretson Regarding Incubator Building Site:

Mr. Rick Engebretson, RL Engebretson, was recognized and stated on Wednesday NDSU will be having a groundbreaking ceremony on their incubator building, the Center for Technology Enterprises. He stated they plan to go out for bids this fall for excavation, site preparation and the structural framework. He stated one of the issues they have is taking the soil off the building area and storing the dirt on site. He stated the problem is the site is very small. He stated they are proposing is to store the black dirt (about 3' high) on Lot 10, which is in the runway clear zone. He stated they would then be able to keep it there until it was needed late next summer for landscaping around the building. He stated if they do not move ahead with site preparation this fall it would then be next spring and stored until probably September or October.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he was contacted by a representative of RL Engebretson and asked if this could be done. Mr. Synhorst stated the lot is in the runway protection zone so they could go up to about 6'. He stated they also asked if it could be used as a staging area but that would result in people congregating there and the purpose of a runway protection zone is to keep people from congregating there, whether it is a building, a soccer game, etc.

Mr. Engebretson stated they have already designated another site for their staging area.

Mr. Synhorst stated it was his recommendation to RL Engebretson that the Airport Authority be made aware of their plans.

Chairman Macdonald stated his only concern would be that the dirt be smoothed out and not in piles in the event an airplane did come down in that area. He thanked Mr. Engebretson for advising the board of the matter.

Received Update on Terminal Expansion Study:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Mr. Jim Young, URS, is here today and they have been working on some modifications to the plans previously proposed to the board, but they are not at the point where they are ready to present them again. He stated today they will be talking to as many key players as they can and taking a look at the options that were presented.

Mr. Jim Young, URS, was recognized and stated they are going to take a look at the different options today and make sure that the tenants and stakeholders are able to see those and address how they will work with passenger movement, etc.

Mr. Stroh stated the engineers have been working on the original facility assessment and compiling a list of maintenance issues. He stated for example they have been addressing the generator and whether we will need to install a new generator, add a second generator, or lighten the load and have fewer areas powered by the generator, as the existing generator would not be able to handle an increased load. He stated there are other things such as updates in lighting, finishes, etc. that will be on the shopping list of things that could be done to a 20 year old building.

Received Update on Terminal Expansion Study: (Continued)

Chairman Macdonald stated his list of things he would definitely like to see included in this project is as follows:

- geothermal
- escalator in new addition
- elevator in new addition
- third floor option for new addition
- replace the existing escalators with wider escalators

Mr. Williams stated the federal government has energy grants available for public buildings and recommended the Airport Authority check into that for the geothermal portion of the project.

Mr. Stroh indicated he would update the board on today's sessions at the next meeting.

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated they are busy hauling away the materials from the staging site and working on returning that to its original condition. He stated they are also working on the final punch list items so the project should be wrapped up by freeze-up.

Mr. Darren Anderson indicated he had nothing to report.

Ms. Mollie Crawford, TSA, was recognized and stated the second x-ray machine at the checkpoint is up and running.

Other Business:

Mr. Bernie Ness (Avis and Budget) was recognized and stated a representative of Sendent Car Rental Group was here last week and was very impressed with what a nice building the terminal was and how clean it is. He added that he was impressed with the overall cleanliness of the entire city.

Mayor Bruce Furness was recognized and stated he visited with Mr. Irwin Jacobs, Chairman and CEO of Qualcomm at the technology conference and he cleared US Customs in Fargo on his personal airplane and he was very pleased with the service and people he encountered.

Mr. Dobberstein stated we did receive official signed document from America West declining the air service grant. He stated he and Mr. Sixel are working with another carrier who may be interested in the grant.

Other Business: (Continued)

Mr. Dobberstein introduced Mr. Maurice Gallagher, President of Allegiant Airlines, as well as Tyri Squyres, Director of Corporate Communications.

Mr. Gallagher stated this is his first visit to this part of the country in quite a while and he wanted to make a pass through and meet a number of the constituents they have been serving and will be serving soon, as in the case of Fargo. He stated they have made a nice home in this part of the world and this will be the fourth market they have opened in the Dakotas. He stated airlines historically have not taken big airplanes into smaller markets but it is working for them. He stated Allegiant Airlines is leisure based rather than business based so they do things differently than other airlines. He stated they built their business on a model that frankly people in the airline industry would not have sat down and written ahead of time and put money on it. He reviewed some of the other history and facts on Allegiant Airlines and stated they are looking forward to serving Fargo.

The regular meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 25, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:09 a.m.

Regular Meeting

Tuesday

October 25, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 25, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Anderson, Pawluk, Macdonald

Absent: None

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 11, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held October 11, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$27,860.53:

Mr. Pawluk moved to approve the airport vouchers totaling \$27,860.53.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Federal Aviation Administration:

Mr. Pawluk moved to approve the individual voucher in the amount of \$18,955.46 to the Federal Aviation Administration for payment request for the installation of navigational aids in connection with the Runway 17/35 Reconstruction Project.

Second by Mr. Anderson.

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

No member being absent and not voting nay the motion was declared carried.

Mr. Dobberstein stated we still owe them in excess of \$400,000 but we have not yet been billed by the FAA.

Continued Discussion Regarding Insurance Renewal:

The communications from Northstar Aviation Insurance, Inc. dated October 20, 2005 and from Marsh USA, Inc. dated October 21, 2005, were received and filed without objection.

Mr. Dobberstein stated he has provided the board members with copies of a number of news articles relating to some recent allegations of improprieties (price fixing). He stated that for a number of years Northstar Insurance has been interested in providing broker service for our airport liability coverage. He stated he spoke with Mr. Alan Winters, Marsh, and he then sent this letter indicating they would like to continue to be our broker but they would certainly understand if we were to choose someone else under the circumstances. He stated that there are 92 airports in the state and Northstar provides coverage for over 80 of them. He stated they write coverage for airports in Minot and Bismarck and they have had no issues with their ability to provide service.

Mr. Dobberstein stated it is his recommendation that we write a letter to Marsh and thank them for their past service and engage Northstar Insurance. He stated they will need to begin the application process in the next 7-10 days.

Mr. Pawluk moved the Airport Authority engage the services of Northstar Aviation Insurance to secure our 2006 airport liability coverage.

Second by Mr. Kilander.

Mr. Anderson stated he feels the issue of keeping the business local is important, however, he does not know why we would not ask for quotes from both brokers.

Mr. Dobberstein explained that a broker will not go out and solicit quotes from companies if they know another broker is also getting bids. He indicated we must select a broker and the broker then gets bids from different carriers and that is where the competition comes into play.

Chairman Macdonald called for a vote on the motion.

Members Clark, Kilander and Pawluk voted yes.

Anderson and Macdonald voted no.

The motion was declared carried.

Chairman Macdonald stated he wanted the record to reflect that his "no" vote was not based on Northstar's ability to perform but based on the fractured way we must do this and that it cannot be more openly competitive.

Mr. Anderson his reason for the "no" vote was the same.

Received Update on Airport Sweeper Bids:

Mr. Darren Anderson was recognized and stated he would like to table this matter until the next meeting. He stated he has been communicating with a person who used to work for the MSP airport and he has asked him to work through the bids and specifications and come up with a recommendation.

Mr. Dobberstein stated the board does need to take action today to extend the bid award date, as the bid package called for 30 days.

Chairman Macdonald asked if we want to extend the bid award date or do we want to rebid it.

Mr. Anderson stated the next low bidder does not want to re-bid and the low bidder does not meet specifications.

Received Update on Airport Sweeper Bids: (Continued)

Mr. Pawluk stated he is not interested in being the test for a prototype machine to be built to meet specs. He stated he appreciates going with the low bidder but he does not want to have another fiasco such as we did with our snow blower.

Attorney Stewart extending the bid award date is no problem as you are looking at having an outside evaluator review the bids.

Mr. Anderson moved to extend the bid award date to November 22.

Second by Mr. Pawluk.

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

Received Update on Replacement of Airfield Utility Tractor:

Mr. Dobberstein stated we are still waiting for clarification on one of the proposed units and will hopefully have more to report at the next meeting.

Received Update on Proposed 32nd Avenue North Paving Project:

Mr. Dobberstein stated we have been waiting for approval from the City Commission for their portion of the paving project to 32nd Avenue North. He asked Mr. Williams if the Commission approved that project.

Mr. Williams indicated yes the City Commission did vote to approve the 32nd Avenue North paving project.

Mr. Dobberstein stated as of now the four cemetery owners are about \$5,000 short of coming up with their \$90,000 share. The breakdown is as follows:

Cass County	\$30,000
Holy Cross	\$35,000
Beth El	\$10,000
Hebrew Cemetery	\$10,000

Mr. Dobberstein stated he would recommend that we proceed and the MAA and the City of Fargo can split the remaining \$5,000.

Mr. Williams indicated the City Commission would be agreeable to that.

Mr. Dobberstein stated he would recommend that we proceed and that Attorney Stewart be directed to draft reimbursable agreements with the four cemetery groups and the City of Fargo.

Mr. Kilander moved the Airport Authority proceed with the 32nd Avenue North paving project and that the Airport Authority increase its share to a maximum of \$122,500.

Second by Dr. Clark.

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

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

Received Update on Terminal Expansion Study:

Mr. Terry Stroh and Mr. Devin Mogck, TL Stroh Architects, were recognized. Mr. Stroh stated today they will be presenting an update on the project. He distributed an overview of the electrical and mechanical systems in the building that may need updating due to the fact that the building is 20 years old.

Mr. Stroh stated after the various meetings we have had with the tenants, it seems to be the consensus so far that we will not be looking at any major renovations in the airline ticket counter/operations area.

Mr. Stroh stated the most recent drawings included areas on the second floor of the proposed west addition for US Customs and Border Patrol. He stated after further review of that it was conveyed that Customs would prefer to have everything on the main floor rather than second floor space. He stated we have included interview rooms and office space in that area. He stated Customs does not want bathrooms in their area due to security issues. He stated the area will also include the existing stairs, adding an escalator. He stated they did not see the need for an additional elevator in that area. He indicated the one car rental agency office/counter would be relocated.

Mr. Stroh stated one option that has been discussed for the TSA office space is on the main floor in the proposed north addition. He stated while this is probably not the best or most accessible space it would certainly be an economical approach. He stated there would be ample room for mechanical needs so the space would not need a basement under it and could be a slab on grade. There would be plenty of room for the mechanical needs, as well as additional equipment storage and some office space.

Mr. Stroh stated the main escalators will be replaced with new, wider ones (40"), but they are also proposing to move them out in order to allow for more meet/greet space on the second floor. He stated the space will still remain open yet it will give a much more dramatic entrance to the building.

Mr. Stroh reviewed the list of electrical and mechanical items that should be addressed and reviewed some of the costs:

Fire alarm system	\$ 95,000
Backup power generator	\$150,000 to \$425,000
Electrical panels	\$ 35,000
Lighting (various areas)	\$272,000
New boilers (2)	\$250,000
Water filter system	\$ 12,000
Water heaters	\$ 65,000
Temperature control system	\$180,000
Mechanical system alterations due to building expansion	\$275,000
Estimated cost for mechanical in proposed additions	\$880,000

Mr. Stroh stated some of these items are driven by the proposed expansion, but there are some that would not have to be done.

Received Update on Terminal Expansion Study: (Continued)

Chairman Macdonald stated he is happy with what is being proposed for the center of the building, but he want to see us add the second floor on the proposed expansion to the west.

Mr. Kilander stated he still feels we should look further into a third story over the meet and greet expansion area.

Mr. Stroh stated they have looked at it and it would be a very expensive option as you would have to disturb the existing roof system, which is not an easy thing to tear apart. We would have to install another elevator unless you used the existing elevator and then the distance to the office space would be quite expansive.

Mr. Anderson agreed it would be a nightmare to add a third story. He stated he also questions the 10,000 square feet under the north expansion which is space that is difficult to access. He asked why we wouldn't consider putting that on pillars. He stated there are still a lot of unanswered questions and he doesn't want to jump into anything too quickly. He stated he would not want to see the administration offices locked into where they are and have all of the windows taken away if we expand to the west. He stated he really likes the meet/greet area with the new escalator setup.

Mr. Stroh stated as far as the 10,000 square feet on the main floor of the north addition, there may be some changes made to the tug concourse space in the future and then that space would be used for mechanical systems as well as some equipment storage.

Chairman Macdonald stated if we are looking at a new generator that would be ideal space for the generator.

Mr. Anderson stated the generator would be located outside the building.

Mr. Stroh agreed that he would not place the new generator under the departure lounge area.

Following discussion regarding what would be eligible for FAA funding and what would not be, Mr. Dobberstein stated that the proposed expansion to the checkpoint area and baggage claim area are to take care of our current passenger loads. He stated when we have charter flights on top of the regularly scheduled flights, and if any of those flights are delayed, we experience utter chaos. The checkpoint gets backed up and there is not enough room in the baggage claim area. He stated we cannot continue to serve the public adequately without putting in a third baggage carousel.

Pawluk now absent.

Mr. Stroh stated they would like to get an idea of a floor plan everyone is comfortable with and then they would be able to get into a little more detail to estimate costs and so that we would have something to present to the FAA for their ideas on what they will fund.

Mr. Anderson stated he would like to see some more specific ideas on where to put the administrative office. He stated to keep them where they are and lock them up on the west side is not a good idea.

Mr. Kilander stated he would still like to see the possibility of a third floor on the proposed north addition.

Received Update on Terminal Expansion Study: (Continued)

Mr. Stroh stated he feels they now have some further direction and they will come back at the next meeting with some more specific proposals. He stated he would like to emphasize that there are not only additions to consider but there are some items, such as the sprinkler system, that will have to be done and as long as the ceilings have to be taken down for the installation of the sprinkler system we should look at changing some other things as well, such as the lighting. There are other things on that list that should be looked at since the building is 20 years old.

Mr. Anderson suggested we work on getting a layout that works first and then we can look at those other things.

Airport Construction and Security Update:

No items to report.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 8, 2005.

Time at adjournment was 9:20 a.m.

Regular Meeting

Tuesday

November 8, 2005

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 8, 2005 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Pawluk, Macdonald

Absent: Anderson

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Airport Vouchers Totaling \$31,477.67:

Dr. Clark moved to approve the airport vouchers totaling \$31,477.67.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Modern Electric of FM:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,185.00 to Modern Electric of FM for payment request for electrical work in connection with expansion of Flight Information Display System in the Westside Terminal, Project APFC05.

Second by Mr. Kilander.

On the call of the roll, members Clark, Kilander, Pawluk and Macdonald 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 \$2,003.00 to MinKo Construction for payment request for the installation of the sun shade prototypes over the airline ticket counters, Westside Terminal.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$51,182.58 to Shafer Contracting for Partial Payment Request #13 for construction of Runway 17/35 Reconstruction Project, AIP29.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$180,474.90 to Shafer Contracting for Partial Payment Request #4 for construction of Runway 17/35 Reconstruction Project, AIP30.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Shafer Contracting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,362.32 to Shafer Contracting for Partial Payment Request #10 for construction of NDANG north and south arresting barrier.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

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 \$30,618.91 to TL Stroh Architects for partial payment request for architectural/consulting services in connection with the Terminal Expansion Study.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,007.13 to Sixel Consulting Group for payment request for airline service consulting services.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Roadway Services, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$7,337.70 to Roadway Services for asphalt crack sealing, airfield and south general aviation areas.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Update on Replacement Airfield Utility Tractor Purchase:

Mr. Dobberstein stated he had anticipated having some information on this tractor but it will probably be at the next meeting.

Received Car Rental Agency Financial Review Reports:

Chairman Macdonald stated the board members received the five reports on the financial review of the car rental agencies. The reports were received and filed without objection.

Chairman Macdonald stated the only thing he noticed was that EideBailly found discrepancies in the two reviews they conducted but Widmer Roel found none in the three they conducted.

Mr. Pawluk asked Mr. Dobberstein if he was satisfied with the method both firms used.

Mr. Dobberstein stated both methods were identical. He stated we have advised both Hertz and Enterprise of the findings and we are going to have them go over all of their reports for 2004 and see if they find any other discrepancies.

Mr. Pawluk stated he would like to bring up a matter he has discussed with Mr. Bob Anderson. He stated since we review the tenants, FBOs, etc., he thinks it would be a good idea to review our engineers, and that is not to suggest that we don't have faith in them, because he does have tremendous faith in them. He asked if it is appropriate that we have the review to the same degree for people to whom we pay money as it is with those who owe us money.

Mr. Kilander stated it would seem to him that we hire an engineer on a contract basis and since that is how we handle it he does not know what we would review.

Received Car Rental Agency Financial Review Reports: (Continued)

Mr. Dobberstein stated a review appraisal of every engineering contract is conducted before the contract is let. He stated we have been having an independent engineer review each contract and we have had Mark Bittner, City Engineer, conduct those reviews for us. This review includes a cost comparison analysis, so he does not know what a further review would accomplish.

Mr. Pawluk stated he would like to have this discussion another time when Mr. Anderson and Mr. Steve Synhorst, Ulteig Engineers, are both here.

Received Update Regarding Terminal Expansion Study:

Mr. Terry Stroh and Mr. Devin Mogck, TL Stroh Architects, were recognized. Mr. Mogck stated today they have two concepts to present to the board. He stated the one is a revision of the basic concept we have been looking at where we now have all of the US Customs and Border Protection space on the ground floor and improved baggage claim and tug concourse area. He stated on the second floor we have moved the airport administration offices to the west addition and show the TSA as occupying the current administration space after renovations. He stated the west area has improved arrangements for Customs with a stair, escalator and elevator on the west end of the building so arriving passengers come directly down into a queuing space for passport inspection and baggage claim and a second baggage inspection. He stated they have made some minor adjustments after meeting with Mr. Jim Young, URS, includes some additional waiting space for international arrivals.

Mr. Jim Young, URS, was recognized and reviewed the arrival area for international flights. He indicated they have worked with other airports where such space is not used every day and especially in this case where it might be used only 10-12 times per year, it is best to keep the space as open as possible and have portable partitions and gates available to block the space off when necessary. He stated that way the space can be used the rest of the time as well.

Mr. Mogck stated the second floor of the west addition will include an additional gate area, restrooms and administrative office space. He stated the TSA space in the remodeled administration office space was laid out according to space specifications they received from the TSA.

Chairman Macdonald asked how the gate for international arrivals would be set apart from the rest of the departure lounge.

Mr. Mogck stated there would be a gate that would be closed during those arrivals and the gate would have to block off access to the restrooms as well.

Mr. Mogck stated this plan also includes expansion of the giftshop which would take over some of the space which is now small rooms currently adjacent to the giftshop.

Mr. Stroh stated they did develop a plan for a third floor over the north side expansion. He stated this third floor would affect the west addition in that it would be smaller and the TSA would occupy the current administration space as it is. He stated it is not that this option wouldn't be done but it is definitely more cumbersome as you have to reinforce much of the roof in that area. He stated the biggest detriment to third floor space is getting to the space through what they are calling "no man's land" which is just outside the security checkpoint. He stated in order to get to the entrance to the offices you would have to go through crowds of people at the entrance to the checkpoint, which could be congested at any time of the day. He stated it would be a little more expensive to go with

Received Update Regarding Terminal Expansion Study:

this third floor option. He stated in some respects a third floor could be a real dynamic space but the accessibility gets to be an issue. There was discussion of the requirement of a fire exit on the third floor and the direct outside access to the ramp. Mr. Stroh indicated that exit would have a door but it would be an "exit only" door and you could not gain access to the inside from outside.

Chairman Macdonald stated since this would be office space for the airport the FAA would not participate in any of those costs.

Mr. Stroh stated that as we have discussed before, we have not shown any changes in the airline ticket counter/operations area at this time, but that could change as technology and screening processes change.

Mr. Young stated with regard to location of TSA space, if the board decided to leave the administration offices where they are, you would probably look at space on the main floor of the north expansion as there is adequate space for that. He stated the TSA is currently occupying space in the airline ticket counter/operations area and should another airline come in we would need to move them and the main floor of the north expansion area would be ideal. He stated since the second floor of the north expansion is public area then structure and the walls below it are eligible. He stated in Bismarck, for example, they were able to gain quite a bit of equipment storage space because of that.

Mr. Pawluk stated after the figures we received at the last meeting, this expansion is getting to the point where we may have to do it in phases.

Chairman Macdonald stated doing it in phases is going to raise the cost.

Mr. Pawluk stated he knows ultimately that is correct. He stated he is wondering how much we need a fifth gate right away. He stated he wants to see us have the fifth gate and the capability of international flights, but he is getting the cart ahead of the horse because we haven't really looked at the cost we have just looked at the concept.

Chairman Macdonald asked the board members if we could narrow down a direction for the architect or should we wait until we talk to the FAA further. He stated he is not in favor of the third floor expansion.

Mr. Kilander stated that literally the only dilemma he sees with a third story is the security issue of having a stairwell leading from the third floor to the ramp which was for fire exit purposes. He stated other than that he thinks it is workable and would not cost that much more.

Mr. Pawluk stated he does not like the idea of bumping the building out to the north onto the ramp area. He stated he does not have an alternative in mind but he just thinks it will cause problems for the aircraft on the ramp.

Chairman Macdonald stated that has been discussed with the airlines and they do not have any problems with that plan. He added that the original design of the terminal building is for gate expansion to the north.

Mr. Young stated we were not able to come up with a satisfactory scheme that did not go to the north.

Mr. Pawluk stated he would like to look at some cost estimate before we go further into schematics.

Mr. Stroh stated he likes the idea of the third floor but the problem is getting to the area.

Mr. Young stated he tends to agree that the entrance would have to be in that main passenger circulation area. He stated the airport administration is an office that is open to the public and it should be easy to get to the office.

Received Update Regarding Terminal Expansion Study: (Continued)

Chairman Macdonald stated he originally felt we needed to look at the third floor option but he does not know that there is a good enough reason the offices would have to be located there.

Dr. Clark stated her concern in circulation and flow throughout the building. She stated she does not think adding more space should be done in a way that would complicate the flow.

Mr. Pawluk asked Mr. Dobberstein for his evaluation of these options.

Mr. Dobberstein stated he favors Concept #1-2. He stated he is not in favor of a third floor as he does not see the benefit. He stated if we expand the building to the west the fifth gate should go in now. He stated that fifth gate is not for the future it is needed now.

Chairman Macdonald asked if the board is ready to give Mr. Stroh any direction today.

Dr. Clark stated she would like him to focus on Concept #1.

Mr. Pawluk stated he could support that.

Mr. Kilander stated he still feels there are some pluses with Concept #2 with the third floor but he is not set on that.

Mr. Stroh stated if we are looking a starting something by spring we are looking at a whole lot of work yet ahead of us. He stated a lot of that will have to do with mechanical issues. He stated one big matter is determining how much the FAA will fund and also consider what leases can be negotiated with the tenants. He stated at the next meeting he would like to have further discussion of costs as there is a lot of updating to be done in the terminal as a whole. He stated some of those items can be bid on an alternate basis. He stated they are getting close to being done with the study and they will need to nail down some estimates.

Mr. Young stated the plans presented today probably include more square footage than originally thought before the study began so we do need to talk about probable costs of construction.

Chairman Macdonald stated so far this year we have boarded 40,000 more passengers than last year which is about \$200,000 in PFC funds. He stated now is as good a time to sell bonds as any if we need to do that and our present debt servicing is very easily handled. He stated he does not feel we should do the project in increments but all at once.

Mr. Stroh stated they will concentrate on Concept #1 as presented today and get cost estimates.

Chairman Macdonald stated the funding considerations are what the FAA will fund, how much could be funded by PFC funds, and what the airport will have to pay from its own funds.

Mr. Dobberstein stated the properties representatives from the airlines were invited to attend the planning sessions following this meeting but he has not heard from any of them yet. He stated US Customs and Border Protection has been involved in the planning process but that person is not the person with any decision making power on this matter. He stated they have provided input on drawings without any regard to whether or not they will participate. He stated Customs may say we can go ahead and build this according to their specifications but that does not mean they will provide the service.

Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated they sent out a change order to Shafer Contracting to extend the contract to July 2006, only for the 32nd Avenue North paving project. He stated they are also working on the reclamation of the staging area which is going a lot slower than planned.

Nothing to report for security update.

Other Business:

Mr. Williams stated he did have a brief conversation with Erin Prochnow from Senator Dorgan's office on funding for geothermal energy systems and she indicated that funds are available.

Mr. Pawluk asked for an update on the sweeper.

Mr. Anderson stated he is still compiling all of the information and waiting for a final recommendation.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 22, 2005 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:24 a.m.

Regular Meeting

Tuesday

November 22, 2005

The regular meeting of the Municipal Airport Authority was held Tuesday, November 22, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Pawluk, Macdonald

Absent: Clark, Kilander

Others: Stewart, Williams

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 8, 2005:

The minutes of the regular meeting of the Municipal Airport Authority held November 8, 2005, were approved without objection.

Approved the Airport Vouchers Totaling \$32,470.09:

Mr. Pawluk moved to approve the airport vouchers totaling \$32,470.09.

Second by Mr. Anderson.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,020.00 to Sixel Consulting for quarter airline passenger report.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Received Update on Terminal Expansion Study:

Mr. Terry Stroh, TL Stroh Architects, was recognized and distributed the latest updates to proposals for the terminal expansion project. He stated he also just received from Mr. Jim Young, URS, a diagram showing which areas would be eligible for FAA funding and which would not be eligible.

Mr. Stroh stated these updated plans now show the airline ticket counter and baggage screening area so we now have a comprehensive master plan. He stated they were not included before since we have known that we would not be making any changes to that area right away as those changes would be technology driven with the baggage screening equipment.

Mr. Stroh stated we have been communicating with Mr. Jerome Hicks, Customs and Border Patrol, regarding the space for international flights. He stated Mr. Young had gotten some information on what Sioux Falls has for their Federal Inspection Service station. He stated Mr. Hicks also provided us with the Federal guidelines on what facilities would be required for an airport this size.

Mr. Stroh reviewed the plans showing which areas are eligible for FAA or PFC funding. He stated on the first floor, basically the super structure of the north side build-out is eligible. He stated anything built in addition to the main outer walls are not eligible. He stated part of the tug concourse area again would be just the super structure that would be eligible. He stated the baggage claim and circulation area on the first floor is fully eligible for FAA funding. He added that the stairways/escalators are also fully eligible. He stated on the second floor everything is eligible except the fit-up for the administration office and the TSA office space.

Mr. Stroh stated as far as he knows Mr. Dobberstein has not yet received any response from the airlines regarding the proposed expansion.

Mr. Stroh stated they have had their consultants (mechanical, electrical) go through the list of existing items/areas in the building which should be updated at some time and we have cost estimates on most of those items. He stated hopefully at the next meeting we will have an idea on whether or not any of those items are eligible for federal funding.

Mr. Stroh stated if we are serious about starting something on the building as far as construction next summer, we would need to get rolling as soon as possible. He stated with that estimate, they would want to bring a contract to start that process.

Mr. Stroh stated he has discussed the possibility of a geo thermal system with Obermiller Nelson Engineering, and because we are already on a heat pump system they feel that would be the best way to go. He stated if it were a system other than heat pumps it would be a possibility but since the heat pump system is already in place they feel it is best to continue with that.

Mr. Stroh stated there is a lot of work to do on this project before we are able to go to bid. He stated even if they got started right away in December we would not be looking at a bid date before June. He added that the project is complicated because part of it is remodeling and adding on to an existing structure.

Mr. Anderson stated he can see what needs to be done here and it would have to be a fast track design even to be done by June. He stated his thought on the geothermal is that he would like some research done on the payback on that type of system. He stated if it is 20 years that is not a good investment.

Received Update on Terminal Expansion Study: (Continued)

Mr. Stroh stated geothermal is great for some buildings, but even if this was a new building he is not sure geothermal would be the right system for this building. He stated they have found that buildings that have a need for air conditioning are not good candidates for geothermal. He stated it seems to work well for schools since they are not occupied during the summer and do not require air conditioning during the summer months.

Mr. Anderson stated that realistically he sees this building being designed between now and next summer and going to bids in the fall of 2006. He stated the building is going to be here for a long time and we need to take our time and do it right. He asked what needs to happen before we authorize Stroh to begin the design process.

Mr. Dobberstein stated we will have to have a letter from both Customs and TSA giving their approval. He stated he feels he can get both of those agencies to sign off by the next meeting. He stated the next step is to confirm with the FAA which areas are eligible for federal funding.

Mr. Pawluk stated he feels the board needs to see some cost estimates.

Mr. Stroh stated they do have those numbers but since the project has just been in the planning stages and has seen so many changes and revisions those have been hard to provide.

Mr. Pawluk stated he would also like information on which areas could be phased and how those could be done.

Chairman Macdonald stated he is convinced that we should press on with the west side expansion. He stated realistically that is where a lot of the mechanical and electrical will be done and it would be nice to have the extra gate up so that when we have to tear into the middle and lose two gates we will at least have three rather than two.

Ms. Mollie Crawford, TSA, stated she would strongly recommend that we don't wait to look at re-doing our baggage screening away from the trace capability we currently have to the explosive detection systems. She stated since that is fully eligible for federal funding she stated she would like to see the airport move toward that. She stated she will be providing their industrial engineers copies of the plans presented today to start the process of getting a letter of agreement. She stated she has some information to share with the board later regarding screener allocation and it is not good news for Fargo. She stated one thing that drives additional screener resources is the explosive detection systems so it is definitely in our best interest to not push that to the side.

Mr. Dobberstein asked Ms. Crawford to also work with her TSA contacts to identify internal TSA funding sources for capital improvements. He stated Bismarck was recently able to tap into TSA capital improvement funding which is separate from the FAA.

Mr. Stroh stated that portion of project in the ticket counter/baggage screening could be started at any time and any renovations there would not trigger the modification to the building sprinkler system.

Possible meeting dates for December were discussed and it was later determined that the board would have one meeting in December on Thursday the 22nd at 8:00 a.m.

Received Update on Airfield Runway Sweeper Unit and Considered Bid Award:

Mr. Dobberstein stated we received and opened bids for the airfield sweeper on September 22, 2005. He stated four companies provided bids and Kodiak Northwest provided a bid with the lowest cost. He stated after review of the bids it was determined that the equipment proposed by Kodiak Northwest did not meet the specifications. He stated Darren Anderson spent an enormous amount of time with various experts in the industry going through the specifications and the proposals and the final determination is that the Kodiak unit is a prototype piece of equipment and would not meet the specifications. He stated Darren Anderson has also been working closely with Attorney Stewart on the matter.

Mr. Dobberstein stated it is his recommendation that the board award the bid to the second lowest bidder, Sheehan Equipment of Sioux Falls.

Mr. Darren Anderson stated one of his sources of information was Mr. Jim Moriarty, Peer Associates, who used to be the equipment purchaser for the Minneapolis airport and he now does consulting on a full time basis. He stated we used to consult with him on equipment purchases when he worked for the airport. He stated that Mr. Moriarty review all of the documentation on this equipment purchase and it was his conclusion also that the Kodiak unit would not meet specifications and he recommended awarding the bid to Sheehan Equipment.

Attorney Stewart stated the Kodiak unit does not meet the specifications. He stated the fact that it is a prototype is enough to reject the bid.

Mr. Darren Anderson stated we have been down this road before and when you are a small airport like we are and when you have only one piece of a certain type of equipment you have to be able to count on it operating. He stated the broom we have now is 15 years old and we can't get axles for it.

Mr. Pawluk asked why we don't rebid.

Chairman Macdonald asked why we would do that and what we would do differently.

Mr. Darren Anderson stated nothing is going to change. He reviewed the bids as follows:

Kodiak	- \$354,950.00
Sheehan	- \$440,880.00
Western Plains	- \$459,729.00
McQueen Equipment	- \$465,194.00

Mr. Darren Anderson stated the three bids other than Kodiak are all for the Oshkosh units.

Mr. Dobberstein stated we budgeted for this piece of equipment in one of our PFC projects and called for \$375,000 but we are allowed up to a 25% differential.

Mr. Pawluk asked Mr. Henry Swedberg, Airfield Maintenance Supervisor, for his recommendation.

Mr. Swedberg was recognized and stated based on our past experience he would recommend the Oshkosh unit.

Received Update on Airfield Runway Sweeper Unit and Considered Bid Award: (Continued)

Mr. Pawluk moved the Airport Authority reject the bid from Kodiak Northwest because it does not meet the specifications, and that we award the bid to the next lowest bidder, Sheehan Mack.

Second by Mr. Anderson.

Chairman Macdonald stated having worked in government all of his life he has seen where having to take the lowest bid has caused problems. He stated here is a situation where a company is developing a piece of equipment, not having any history behind them, and it does not seem reasonable for us to buy a prototype.

Mr. Pawluk asked if Kodiak knows we are discussing this issue today.

Mr. Darren Anderson stated we have had a lot of communication with Kodiak on this matter. He stated another issue is that Kodiak does not have a dealership network like Oshkosh.

Chairman Macdonald called for a vote on the motion.

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

Absent and not voting: Clark, Kilander

The motion was declared carried.

Received Air Service Update:

Mr. Dobberstein stated we are continuing to work with Sixel Consulting on attracting additional air service. He stated we have two carriers who are interested in the air service grant and we have nine months from September 14 to use that grant. He stated the process is still moving ahead.

Mr. Dobberstein stated Mr. Sixel is going to be in the area in December and he will meet with him again at that time.

Airport Construction and Security Update:

Chairman Macdonald stated Mr. Steve Synhorst, Ulteig Engineers, is not here today but he extended the board's congratulations on his promotion to Vice President at Ulteig Engineers.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the big item left on the project is the staging area reclamation. He stated the problem is two fold because Shafer hired a subcontractor (County 20) to reclaim the staging area and Shafer has not been proactive in getting County 20 to get the work done. He stated the scope of work was not clearly laid out to County 20 by Shafer as he understands. He stated there was a tremendous amount of concrete chunks that needed to be removed before the topsoil can be replaced.

Mr. Dobberstein stated one day he observed County 20 trying to spread clay out while there were still a lot of concrete chunks on the site. He stated he contacted Ulteig and they stopped them and then they resumed removing the concrete chunks. He stated the site was to have been restored by November 15 and we are withholding enough money from the project to cover this item. Mr. Dobberstein stated the worst case scenario is that they won't be done in time for NDSU to plant their crop next spring.

Mr. Pawluk stated he has been concerned about the reclamation process all along and the fact that all of the debris would be removed.

Airport Construction and Security Update: (Continued)

Mr. Klein stated County 20 has been out there for days cleaning up and it looks good now.

Mr. Dobberstein agreed it is in good shape now.

Mr. Klein stated as far as the rest of the project they are still working on punch list items.

Ms. Mollie Crawford, TSA, was recognized and stated they received their screener allocation numbers and they have been cut from 30.9 full time equivalents to 25.4 and they have appealed this decision.

Mr. Dobberstein stated he has received a faxed request yesterday from Fargo Jet Center to add access card control readers to the walk through doors of Hangars #3, #4, and #9. He stated he does not know how much that will cost as we just received this request, but he will have Darren Anderson work with Johnson Controls on an estimate. He stated Fargo Jet Center feels the card readers would mean fewer keys are more accountability.

Mr. Pawluk asked if there is a particular problem causing this request.

Mr. Jim Sweeney, Fargo Jet Center was recognized and stated there was no problem currently but they felt it would be an improvement.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Thursday, December 22, 2005, at 8:00 a.m.

Time at adjournment was 9:08 a.m.

Regular Meeting

Thursday

December 22, 2005

The regular meeting of the Municipal Airport Authority was held Thursday, December 22, 2005, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Macdonald presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held

Mr. Kilander moved to approve the airport vouchers totaling \$52,053.46.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$63,594.71 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, Phase II, AIP30.

Second by Dr. Clark.

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

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$9,537.06 to Flint Communications for partial payment request for 2005 airport marketing program.

Second by Dr. Clark.

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

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,526.00 to Sixel Consulting for payment of air service fees for November.

Second by Dr. Clark.

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

Approved the Individual Voucher to Cass County Treasurer:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,109.73 to the Cass County Treasurer for payment of drain special assessments and property taxes on Gill property.

Second by Dr. Clark.

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$26,279.49 to TL Stroh Architects for partial payment request for architectural/consulting fees for Terminal Expansion Study.

Second by Dr. Clark.

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

Approved the Individual Voucher to Dakota Fence:

Mr. Pawluk moved to approve the individual voucher in the amount of \$5,149.00 to Dakota Fence for the rehabilitation of access road and terminal area signage.

Second by Dr. Clark.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$34,215.39 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Runway 17/35 Reconstruction Project, Phase II, AIP30.

Second by Dr. Clark.

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

Received Airport Liability Insurance Renewal Information and Recommendation from Northstar Insurance:

The communication from Northstar Aviation Insurance, Inc. dated December 15, 2005, was received and filed without objection.

Mr. Dobberstein stated that Mr. Marc Lepage, Northstar Insurance, is here today to answer any questions we may have. He stated Mr. Lepage was chosen by the board as the broker for our airport liability coverage and he solicited quotes from the various insurance carriers. He stated that Mr. Lepage is recommending that we continue with our current carrier, AIG, for an annual premium of \$76,970, which is a decrease of \$1,103 over last year but includes two changes.

Mr. Marc Lepage was recognized and stated one of the two changes pertains to air show liability. He stated Endorsement #2 in the current policy which pertains to air show liability will be replaced by contingent air show liability. He stated since no events are planned for 2006 this should not be of much concern. He stated that Endorsement #19 in the current policy is not available and would revert to basic policy. The exclusion would now apply to any property damage resulting from the reasonable force to protect any persons or property.

Mr. Lepage indicated that ACE USA is the next best alternate. The will provide essentially the same coverage as AIG with a domestic primary policy along with excess policy provided by Underwriters at Lloyd's. Total premium is \$75,891 and includes the surplus lines tax and fees.

The other quotes were as follows:

Global Aerospace	\$119,232
Phoenix Aviation	\$137,472
USAIG	Declined – not currently underwriting airport liability
W. Brown	Declined – not competitive with current coverage
US Specialty	Declined – not able to provide limits
Aerospace Insurance	Declined – not able to provide limits

Mr. Lepage indicated all of the companies that have offered terms include the liability for war risk which is normally purchased by a risk with any airline traffic. Terms would exclude Terrorism Risk Insurance Act (TRIA) coverage which is not normally purchased due to additional premium. The TRIA premium with all of the companies that offered terms are all in excess of \$50,000.

After further discussion, Mr. Pawluk moved to authorize Northstar Aviation Insurance to place the airport liability coverage with AIG as proposed.

Second by Mr. Anderson.

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

Received Notice from Victor Gelking Advising of his Aircraft Maintenance Service Shop:

The communication from Mr. Victor Gelking dated December 8, 2005, was received and filed without objection.

Mr. Dobberstein stated that Mr. Gelking has advised that effective January 1, 2006, he will be opening a full service aircraft maintenance shop with Mr. Chad Hanson as his A&I.

Mr. Dobberstein stated Mr. Gelking's lease requires that he has to advise the Airport Authority

Received Notice from Victor Gelking Advising of his Aircraft Maintenance Service Shop: (Cont'd)

Mr. Pawluk moved to authorize Mr. Gelking to undertake this new activity under his lease, subject to having the required insurance coverage in place.

Second by Mr. Anderson.

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

Mr. Stewart now present.

Received Update Regarding Airport Land Acquisition:

Mr. Dobberstein stated that we are still working on some acquisitions of land north of the airport and he will have something further to report at the next meeting.

Received Notice of Proposed Plat for the First Addition to Highland Park Located North of the Airport:

Mr. Dobberstein stated Mr. Bill Mahar from the City of Fargo Planning Office is present today to answer any questions on this matter.

Mr. Dobberstein stated he and Attorney Stewart met with the Planning Office regarding the Martin Family's proposal to develop property on either side of County 31. Mr. Dobberstein stated our Airport Master Plan shows one section of their proposed development as "open space." Mr. Dobberstein stated his suggestion to the Airport Authority is that we reaffirm what our Airport Master Plan shows for that area. He stated when we were working with Mr. Tom Martin earlier this year on the purchase of the property, we suggested to him that there may be room to develop about 40% of the property and we could probably live with some type of housing development in that area, which would line up with the west edge of the Stockman Development. He stated we would require a covenant on the deed recognizing the existence of the airport and require adequate sound proofing of the homes.

Mr. Mahar was recognized and stated he had a conversation with the property owner yesterday and at this time they are looking to amend their application to request development on the east side of County 31. He stated they will not be bringing forth a plat for the west side of County 31. He stated this will be coming for the Planning Commission in February and then to the City Commission for approval in March.

Mr. Dobberstein asked Mr. Mahar if the Airport Authority would be notified if the application were to change again and they were to propose development on the west side of County 31.

Mr. Mahar stated the Airport Authority would be notified.

Chairman Macdonald stated it is the consensus of this board that we would strenuously oppose any development west of that north/south line which intersects with the other development in that area.

Mr. Pawluk stated the only noise complaints about the airport he ever hears from any citizens are from residents living in Highland Park. He stated this proposed development are going to be even closer to the source of the noise than Highland Park. He stated the only way he could support this development east of County 31 (he would not even consider allowing development west of County 31) is if the sound proofing/noise proofing restrictive covenants are added to deed.

Received Notice of Proposed Plat for the First Addition to Highland Park Located North of the Airport:
(Continued)

Chairman Macdonald stated it is never a mistake to require those covenants.

Mr. Kilander stated it is incumbent on the Airport Authority to really be formal in stressing our concerns and be as forceful as we can be. He stated the last thing he would want to do is put future boards in the position that Minneapolis is in right now where they have to go in a remedial fashion and sound proof existing houses. He stated even for the proposed development on the east side of County 31 future residents need to be put on notice that the Airport Authority will not assume, at any point in the future, any liability if they have their dishes rattling in the kitchen cabinets.

Mr. Pawluk asked if the Planning Commission, based on the recommendation of the Airport Authority, has the authority to include this as a condition.

Mr. Dobberstein stated we have done that in the past with developments north of County 20.

Mr. Mahar stated last spring the Planning Commission approved an addition to the Riverwood Subdivision and included a clause in the development agreement that they must recognize that the airport does exist within a close proximity of that subdivision.

Mr. Pawluk asked if sound proofing was part of the deed restriction.

Mr. Mahar stated it was not included in that subdivision.

Mr. Dobberstein stated there are federal guidelines to follow with construction requirements.

Mr. Mahar stated sound proofing was required in a subdivision along 32nd Avenue and University Drive (Pony Farm).

Mr. Kilander stated he feels we should insert as broad a caveat as possible.

Chairman Macdonald asked if it is the consensus of the Airport Authority that we go on record as recommending to the Fargo Planning Commission that a stipulation of the development be that they site the airport and the fact that there will be potential noise problems and that the airport will assume no liability.

Mr. Kilander moved the Airport Authority go on record as recommending to the Fargo Planning Commission that a stipulation of the proposed development be that the developer make residents aware of the proximity to the airport and the fact that there will be potential noise problems from the airport and that the Airport Authority will assume no liability.

Second by Dr. Clark.

Mr. Pawluk asked Attorney Stewart to comment.

Attorney Stewart stated those covenants ordinarily would be included anyway but we can call their attention to the noise contours and indicate that they are subject to change. He stated the caveat is certainly there.

Mr. Pawluk asked about the requirement for sound proofing and whether or not it would be necessary.

Mr. Kilander stated he feels if we start tying things to specific noise decibels as the acceptable levels of noise change over time. He stated he feels we should put the responsibility of determining acceptability on the developer but at the same time advise them to not consider the airport a source of revenue if they feel something needs to be dealt with. He stated we should be as overt as we can be about not accepting any responsibility now or in the future is far more important than tying it to a decibel corridor.

Received Notice of Proposed Plat for the First Addition to Highland Park Located North of the Airport:
(Continued)

Mr. Pawluk asked Mr. Mahar if he foresees the Planning Commission putting in any requirements with respect to sound proofing.

Mr. Mahar stated he does not. He stated they have not done that in the past with residential plats within proximity of the airport. He stated if there is information that shows that should be part of the process they could certainly do that as they did with the Pony Farm site.

Mr. Pawluk stated as a service to the community and to the prospective property owners he feels the Planning Commission should require that the homes be sound proofed to a certain level, which they may already be under proper construction techniques. He stated he feels that everything we can do to insure that people are comfortable in their homes, despite the fact that there will be noise from airport operations, is an advantage to the public. He stated it is easy to do now but very hard to do later.

Attorney Stewart stated given the location of this property the city will also probably be doing some covenants with regard to the river.

Chairman Macdonald called for a vote on the motion.

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

Received Proposed Lease Agreement with First Class Seats, Inc.:

Mr. Dobberstein stated at the last AAAE conference he and Chairman Macdonald visited with First Class Seats, which is a company that places leather massaging chairs in public venues (airports, shopping malls, etc.). He stated they are proposing to place two units (four chairs) in the departure lounge and they will pay us 12-15% of the gross revenue. He stated this is basically no risk to us and it is a passenger amenity that has been pretty popular at other airports. He stated the worst case scenario is that if it doesn't work they will come and take them out.

Mr. Dobberstein stated Attorney Stewart has reviewed the lease. He added that they will offer coupons available to tenants to give to their customers as a perk. He stated they will be in place 45 days from December 31 if approved.

Mr. Pawluk moved to approve the lease with First Class Seats, Inc. for the placement of chairs in the departure lounge, subject to approval of the lease by Attorney Stewart.

Second by Mr. Anderson.

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

Received Communication from Mid-America Aviation Regarding Proposed Beta-Test and Request for Partial Funding:

The communication dated December 22, 2005 from Mid-America Aviation was received and filed without objection.

Chairman Macdonald stated he must recuse himself from any vote on this matter as he is a member of Mid-America Aviation's board of directors.

Received Communication from Mid-America Aviation Regarding Proposed Beta-Test and Request for Partial Funding: (Continued)

Mr. Dobberstein stated a number of months ago he and Mr. Darren Anderson were contacted by Mr. Tom Kenville and gave a presentation of a fingerprint software system that integrates with existing fingerprint readers. He stated the name of the company is 123 ID. Mr. Dobberstein stated they need a beta test site, a place to provide that the system will work in an airport environment. He stated within the last month he and Mr. Anderson, along with Mollie Crawford and Jon Holman from the TSA went to Mid-America's facility to see how the system works and how they plan to integrate it into our current access card security system. He stated we have selected one of our primary access doors, the freight/service door to the tug concourse area on the east side of the building by the dumpsters. He stated they will piggy back this to our current system and it will not compromise the integrity of what we currently have in place. He stated this will be an eight week test and they are asking the Airport Authority to participate in the cost up to \$5,000.

Mr. Tom Kenville, Mid-America Aviation, was recognized and stated the airport's current system is a Honeywell product which was installed and maintained by Johnson Controls. He stated because of conflict between Honeywell and Johnson Controls, Honeywell was not willing to work with them on this test. He stated they originally anticipated the cost of this beta test to be \$15,000 and asked the airport to participate in one third of that cost. He stated as of today they have \$41,000 in the project but he is not asking for more than \$5,000 participation from the airport.

Mr. Kenville stated basically this system is a state of the art fingerprint reading system. He stated the system is three dimensional, vector fingerprinting that is accurate to one to a million. He stated the current access card system would allow someone else to use his card to gain access to the airport but with the fingerprint system it would know who is gaining access.

Mr. Kenville stated they have met with the TSA at their facility, and are also planning to visit with Mr. Gary Ness, ND Aeronautics Commission. He stated they need proof that this beta test works not just in some lab but at an airport. He stated they envision that once this test is over that the Honeywell people, who currently provide security at the 11 largest airports in the country, will be ready to look at this system. He stated if this system works, we will have a lot of people coming to this airport to see how a biometrics system works.

Mr. Kenville stated if this system works he would envision that the airport will have a state of the art, wireless system at every gate and door at the airport.

Mr. Kilander stated our involvement in the test is a wonderful idea and we should move forward, however, he is concerned about our financial involvement and the precedent it would set.

Mr. Anderson stated he agrees the concept is interesting but is also concerned about the financial involvement and the precedent it would set. He stated the Airport Authority should not be assisting a private company with developing a product.

Mr. Pawluk asked if there is any financial advantage to the airport to allow this beta test to take place.

Mr. Dobberstein stated if the test is allowed there would be certain cabling that would be put in place in order to operate the test and that cabling would stay in place after the test, putting us that much further along for any future changes in our system.

Received Communication from Mid-America Aviation Regarding Proposed Beta-Test and Request for Partial Funding: (Continued)

Mr. Pawluk stated he would support participating to the degree of the actual cost of wiring the door.

Mr. Anderson stated he would not support that. He stated if in fact the system works and if the Airport Authority elects to use the system, are there federal funds available for security systems.

Mr. Dobberstein stated there are federal funds available for security systems, and there is an emphasis at the Department of Homeland Security on biometrics.

Mr. Anderson stated is not the amount of money, it is the concept of participating financially.

Mr. Kilander state we should cooperate and participate in the beta test any way we can, with the exception of financial involvement.

Mr. Anderson moved the Airport Authority accept the concept and participate in the beta test, without any monetary involvement.

Second by Mr. Kilander.

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

Chairman Macdonald passed his vote.

The motion was declared carried.

Received Update on Terminal Expansion Study:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are here today to wrap up the master plan for the terminal expansion. He stated they will run through the floor plans, which we are all familiar with by now, and then we will ask Mr. Jim Young, URS, will review the report we have put together along with current and projected passenger boardings and how that affects the configuration and funding. He stated we will also go over some cost estimates. He added that hopefully the board will have a recommendation today for which direction we should take.

Mr. Stroh reviewed the proposed interior floor plans.

Mr. Stroh reviewed visuals of what the additions will look like from the exterior. He stated the structure has a feel of its own and they don't want to be tacking things that are going to look tacked on. He stated their goal is to end up with additions that look like they have always been there. He stated to replace the canopy in front of the building would be very expensive, and even though there are some issues with the canopy, such as the paint peeling and the roof leaking, those things could be addressed for less cost than a new canopy. He stated when the west addition is added the canopy can be extended or it may be time to look at doing something a little different.

Mr. Jim Young, URS, was recognized and stated since the last board meeting he visited with the FAA Airports District Office in Bismarck to discuss this project and funding. He stated part of this terminal expansion study is the terminal requirement section which looks at the Airport Master Plan and the forecasted growth for passenger traffic. He stated we looked 20 years into the future to see what we would need to serve the passengers until 2025. He stated the FAA likes to look at more like five or ten years into the future. He stated it is pretty clear that the biggest deficiency in the terminal right now is the passenger screening checkpoint and the meet/greet area. He stated the FAA fully supports the expansion of that area.

Received Update on Terminal Expansion Study: (Continued)

Mr. Young stated their study showed that the airport did not necessarily need additional hold room (departure lounge) space. He stated there is quite a bit of additional hold room space in the proposed north expansion, but that is really being driven by the geometry of the expanded security checkpoint.

Mr. Young stated the ticket counters were moved out six feet recently to accommodate moving the TSA baggage screeners behind the ticket counters. He stated our ultimate goal is to get the TSA baggage screeners behind the scene in the operations area and then move the ticket counters back in order to handle the pressure for more ticket counter area needed for additional carriers.

Mr. Young stated the west expansion plan includes a fifth gate on the second floor and a third baggage claim device on the first floor. He stated the fifth gate would have the ability to bring international (charter) passengers in through a secure corridor and proceed downstairs to clear Customs. He stated right now any international charters have to make an additional stop before returning to Fargo in order to clear Customs in another city and that, other than being inconvenient, adds to the ticket cost and consequently less attractive to travelers. He stated the issue the FAA has with that is there would probably be only 10 international charter flights per year. He stated the FAA is more interested in the regular domestic air carrier service, not building facilities for just a few flights per year. He stated there is some acknowledgement on the part of the FAA that there is a deficiency in baggage claim space for domestic use right now and as passenger numbers increase that will only get worse. He stated the FAA did not feel that a fifth gate was necessary for the peak hours, however, because of the expansion and the having to relocate Gate 2 and Gate 3 we can probably make the case that the fifth gate makes sense just from a construction phasing standpoint.

Mr. Young stated if the airport asked the FAA for a determination right now they would probably say that the north expansion is justified, that the ticket counter improvements and ticket office improvements are justified, but that the west expansion is not. He stated that determination really drives what needs to be discussed next, which is what is the next step and how should we proceed. The options seem to be to go ahead and do the north expansion and not make a determination on the west expansion right now but see what happens with another carrier in the next year or two. He stated another option is to do the entire planned expansion and plan that more of it will have to be funded locally rather than with federal funds. He stated we could also look at the minimum expansion to the west that the FAA would approve, such as just a fifth gate but not the Customs facilities and a third baggage claim device.

Mr. Pawluk asked Mr. Young if he had discussed any of these options with the FAA.

Mr. Young stated he did discuss options with the FAA. He stated we could look at increasing the existing baggage claim devices without adding a third, but that would require relocating electrical and mechanical rooms into the new expansion and expand the baggage claim area into the existing tug concourse area. He stated we could look at what that would cost and possibly apply that amount toward a west expansion. He stated he thinks the FAA wants to work with the airport and support needed expansion, but they are having a problem with the expansion for the US Customs and Border Protection facility and building such a large addition on the west side.

Received Update on Terminal Expansion Study: (Continued)

Mr. Pawluk asked if we were to phase the west portion and do the minimal acceptable to the FAA for their participation, would that add significantly to the cost when the project was eventually completed.

Mr. Young stated it certainly would cost more and it would be hard to determine how much.

Chairman Macdonald stated he thinks we need to be a little bit more knowledgeable about what the FAA will or will not fund and if that takes another month or two that is fine as we are not looking at doing anything next summer anyway. He stated he thinks we could go ahead and work on the north expansion because we are definitely going to do that. He stated when we do that is another thing. He stated we might wait a year or start the west expansion first. He stated he does not like moving ahead with the north expansion and losing two gates during construction.

Mr. Young stated there is interest from other airlines in serving Fargo. He stated a letter from another airline announcing service would certainly justify the need for the additional baggage claim area. He stated right now Allegiant's schedule does not impact peak hours of operation but they are adding flights in March and another carrier would definitely justify expansion because they would likely schedule flights during peak times.

Mr. Kilander asked what sort of revenue the airport might expect from having Customs clearance for international flights.

Mr. Dobberstein stated he is not able to answer that question. He stated in talking with the local travel agents, they feel they would be able to grow the international charter business if they have an opportunity to clear Customs in Fargo rather than making another stop, which adds to the cost. He added that if we had the ability to clear international charters in Fargo we may also see flights from Bismarck and Minot stop in Fargo to clear Customs rather than in another city. He stated we are not going to get rich on landing fees or fuel flowage fees, and if a flight from another city stops here we are certainly not going to see any parking fees. He stated our ability to grow our international charters of this type was hampered when they changed the restrictions in 2002 and would not allow us to clear the passengers in Fargo. He stated the extra cost to stop in another city hampers the growth of international charters from Fargo.

Mr. Pawluk stated we have to keep in mind that our passenger boardings have been increasing at a significant level for a number of years now and it is responsible to look at that increase and project that it is going to continue.

Chairman Macdonald stated his feeling is that we authorize Mr. Stroh to move ahead with the design of the north expansion.

Mr. Stroh stated he would like to run through the estimates for the other items which are building upgrade and maintenance issues. He stated if he could go over those numbers with the board and make some preliminary decisions on what items they would like to do and which they do not want to do then he could come up with some total project costs.

Mr. Stroh stated the four major items are as follows:

- Passenger screening checkpoint	\$3,540,435.
- Extra gate and Customs addition	\$4,336,993
-CBP Facilities fit-up	\$ 610,535
-ATO/Baggage Screening Improvements	\$ 736,990
TOTAL	\$9,224,953

Received Update on Terminal Expansion Study: (Continued)

Mr. Stroh stated as far as building upgrades, the sprinkler system is something we have to do, and in talking with Mr. Tom Schauer, FAA, he indicated that would be something eligible for FAA funding (\$261,000). He stated since we will be altering the roof to accommodate any additions he felt that some of the roofing upgrades would be eligible also (\$190,000).

Mr. Stroh stated there are some electrical items that need attention (fire alarm, electrical panels, lighting) (\$455,000). He stated since the ceilings will be disturbed for the sprinkler system it would be an ideal time to upgrade the lighting in the building, which has been experiencing some problems lately. He stated Mr. Schauer indicated some of that might also be eligible.

Mr. Stroh stated there are a number of mechanical items (filter domestic water, water heater replacement, update temperature control system, air handling unit heating coils conversion. Moving mechanical to accommodate expansion to the north, heat pump replacement – totaling \$1,020,000).

Mr. Stroh stated a geothermal well field and gas boiler has been discussed and is estimated at \$750,000.

Mr. Stroh stated they have estimated an upgrade in some of the interior finishes at \$275,000. He stated canopy upgrades have been estimated to cost \$100,000. He stated as far as the generator we do have some options from limiting the items that will run on generator power to adding a second generator in tandem with the existing generator, or install a new generator large enough to power the entire building. Maximum estimate would be \$600,000.

Mr. Stroh stated they have estimated approximately \$150,000 for any parking lot/sidewalk changes because of additions. He stated they have also estimated \$550,000 for window replacement. He stated it is his understanding that some of the windows have been a problem since the building opened.

Chairman Macdonald called for a six minute recess.

Mr. Anderson now absent.

The meeting resumed at 9:49 a.m.

Mr. Kilander stated no matter what we do with the expansion he stated he feels the building upgrades need to be done. He stated either we plan and get them done or we run around with band aids for the next five years.

Mr. Pawluk stated he is a little overwhelmed with all of these numbers and all of the possibilities. He asked Mr. Dobberstein to give the board some idea of what direction he thinks we should take.

Mr. Dobberstein stated there is a draft terminal facility requirement that is before the FAA. He stated we have to remember that the purpose of the study being done was to determine what we have today and what we will need to serve the passengers in the future. He stated the draft results of that study have been presented to the FAA and from their initial review of the study it appears that the west expansion will be difficult to justify at this time because of the certain space requirements. He stated we are trying to work with them for a third bag device. He stated we can make the argument for a fifth gate even to accommodate flights during construction. He stated if the west expansion does not meet the requirements of the FAA it would not be eligible for AIP funds and if it is

Received Update on Terminal Expansion Study: (Continued)

not eligible for AIP funding it would not be eligible for PFC funding and then we would be dead in the water. He stated if we decide to move forward with the idea that some day it will be eligible and that we can reimburse ourselves with PFC funds on revenue bonds, bond raters would say that we do not have a revenue source to pay those back.

Chairman Macdonald stated Mr. Dobberstein said if that portion of the project were not eligible for federal funds then it would be dead in the water but we could decide to pay for it without federal funding.

Mr. Dobberstein stated we don't have the ability to pay back the bonds unless we designate a mill levy and increase the mill levy to go toward the bonds. He stated that could be done but in his opinion it would not be prudent to recommend that to the board.

Chairman Macdonald stated he understands that but he does want that discussion on the table.

Mr. Dobberstein stated we are going to leave it on the table until such time that we can justify the west expansion. He stated the FAA has indicated that some of these items that will be triggered because of the north expansion will be eligible for federal funding. However, we do not today have this approved in a PFC application to pay back the bond revenue scenarios he provided. He stated because there is a comfort level with the FAA he would like the board to authorize Mr. Stroh to put together a contract for the north expansion and those incidental items. He stated it is going to take some time to put a contract together anyway and we are not out anything to have him bring that back to us at our meeting in January. He stated maybe between now and then we may have a little better idea on some matters. He stated at the same time, in order to assure us that we are going to be eligible through the PFC reimbursement, Ulteig Engineers should be directed today to move ahead with the PFC application process to include this project and the cost of the terminal expansion study. He stated if they start that today then about the time it would be approved in the current FAA process it would be about the same time we would be ready to open bids in July or August. He stated he feels we have enough information to move forward.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated he was involved in the process with Bismarck to build their new terminal. He stated at this point the board needs to move forward with the design phase so that you have hard plans to present to the FAA and they will sit down and look at detailed areas and tell you what is eligible and to what extent. He stated the Bismarck terminal took seven different grants in four phases. He stated it is not until after the design stage that the FAA is able to make their determinations.

Mr. Young stated it did take a leap of faith on Bismarck's part to say they were going to go ahead with a new terminal and they kept asking the FAA for money as they went along and kept negotiating. He stated Mr. Synhorst's statement is absolutely right and the FAA will get down to specific details such as we will pay for the carpet in this room, and we will pay for the bathrooms but not the janitor's closet.

Mr. Dobberstein stated he is very comfortable with recommending to the board to authorize Mr. Stroh move ahead to get the contract in place for the north expansion and those incidentals, knowing that we can phase into the others if need be. He stated we will not be out anything.

Received Update on Terminal Expansion Study: (Continued)

Mr. Kilander moved the Airport Authority authorize TL Stroh Architects to move forward with a contract for the design phase of the north expansion and incidental improvements.

Second by Mr. Pawluk.

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

Mr. Dobberstein stated he recommends starting on the PFC application process right away as these to processes are hand in hand. He stated Ulteig Engineers has done all of our other PFC applications and they are done on an hourly not to exceed basis. He added that there are some other projects we have completed since the last PFC application that we would include in this new application.

Mr. Pawluk moved that Ulteig Engineers be authorized to move ahead with the PFC application process.

Second by Dr. Clark.

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

Airport Construction and Security Update:

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated we are close to being completely wrapped up with the runway project, with the exception of the staging area. He stated we have adequate retainage in the project to get that completed. He stated the project contract is still open to do the 32nd Avenue paving next year.

Chairman Macdonald stated he was very privileged to attend the American Concrete Pavement Association Convention in Palm Springs, CA, earlier this month at which the Airport Authority, along with Shafer Contracting and Ulteig Engineers, were presented with the top award for design and construction for large airports in the country for our runway reconstruction project. He stated our project beat out Dulles Airport. He congratulated Mr. Synhorst and the Ulteig staff and Shafer Contracting.

Mr. Synhorst was recognized and stated it was definitely a team effort and this is the first time anyone in North Dakota has won this award. He stated Shafer Contracting has won the award several times prior to this.

Other Business:

Chairman Macdonald stated our application for a foreign trade zone has been approved.

Mr. Dobberstein stated this is exciting and there are some businesses that will be saving a significant amount of money with this foreign trade zone being here. He stated it will lead to the retention of some key manufacturing businesses and will give economic development another tool for those businesses that import materials, assemble them and then export them. He stated there have been businesses in the past considering Fargo but declined because we did not have a foreign trade zone.

The meeting of the Municipal Airport Authority was adjourned until the Annual Meeting to be held Tuesday, January 24, 2006 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 10:10 a.m.