

Annual Meeting

Tuesday

January 16, 2007

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 16, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Pawluk presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held Tuesday, December 19, 2006:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, December 19, 2006, were approved without objection.

Approved the Airport Vouchers Totaling \$107,736.53:

Gen. Macdonald moved to approve the airport vouchers totaling \$107,736.53.  
Second by Dr. Clark.

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

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,086.50 to Midwest Testing for partial payment request for testing services in connection with the terminal expansion project.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,908.00 to Sixel Consulting for passenger enplanement fees for December 2006 (Delta - \$3,816.00, Allegiant - \$2,092.00).

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:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,313.69 to Flint Communications for payment request for 2006 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 TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$310,175.00 to TF Powers Construction for Partial Payment Request #3 for general construction of Terminal Expansion Project, APFC07.

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 Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$36,945.00 to Grant's Mechanical for Partial Payment Request #3 for mechanical construction of Terminal Expansion Project, APFC07.

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 Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$24,096.75 to Bergstrom Electric for Partial Payment Request #2 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Forum Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$37.24 to Forum Communications for advertisement for bond notice, Project APFC07.

Second by Mr. Anderson.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,542.00 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Anderson.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,220.00 to TL Stroh Architects for partial payment request for architectural services in connection with the EDS/Baggage Screening Area design, APFC07.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$20,881.20 to Ulteig Engineers, Inc. for partial payment request (final) for the Runway 17/35 Reconstruction Project, AIP30.

Second by Mr. Anderson.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,338.50 to Ulteig Engineers, Inc. for partial payment request (Final) for 2006 Airport Improvements, Project AIP25.

Second by Mr. Anderson.

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

Received Change Order G-3 for a Deduct of \$2,600.00, Terminal Expansion Project:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated that Change Order G-3 involves the escalator. He stated the standard wall configuration for the escalators is a glass panel but we opted for the stainless steel panels. He stated after they got into the actual shop drawing stage they found out there is a frosted glass panel available, which will make it feel a little more open.

Mr. Anderson asked for confirmation from TL Stroh Architects on whether or not the airport receives credit on the overhead and profit that the contractor would figure into work that is deducted in a change order.

Mr. Anderson moved to approve Change Order G-3 for a deduct of \$2,600.00, subject to clarification by TL Stroh Architects on his question regarding overhead and profit credit on change orders and what was included in the project specifications.

Second by Mr. Kilander.

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

Received Change Order G-4 for an Increase of \$5,124.00 for Terminal Expansion Project:

Chairman Pawluk stated this change order has been withdrawn.

Received Change Order G-5 for an Increase of \$722.00 for the Terminal Expansion Project:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated that Change Order G-5 involves the escalator and some duct work coming out of the basement going out of the floor. He stated they are not able to use the existing duct work holes as the columns for the escalators will be in the way so they will have to cut new holes in the foundation wall for the duct work. He stated there is no additional charge from Grant's Mechanical for the duct work but just the cost of cutting the additional hole.

Mr. Anderson moved to approve Change Order G-5 for an increased of \$722.00.

Second by Dr. Clark.

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

Received Update Regarding Small Community Air Service Grant Agreement:

Mr. Dobberstein stated he provided the board members with a draft copy of the agreement. He stated Delta has requested access to the grant to offset their costs of providing service to Salt Lake City. He stated they are currently down to one flight per day now through March or April. He stated access to this grant would hopefully lead to them increasing that frequency back to two flights per day. Mr. Dobberstein stated the agreement is pretty much "boiler plate" and the DOT watches anything that we submit for reimbursement under the grant.

Mr. Dobberstein stated we also hope this will lead to access to one of their eastern hubs. He stated right now it does not look like it is in the mix for 2007 due to their lack air 70 seat aircraft. He stated right now they are in the final stages of approving their summer schedule which will be effective in June.

Received Proposed Contract Extension from Sixel Consulting:

Mr. Dobberstein stated our agreement with Sixel Consulting started two years ago and expires at the end of the month. He stated Mr. Sixel is asking for a two year extension to this agreement, which locks us into receiving the quarterly reports (\$1,010.00 per quarter) which analyzes our traffic and markets based on DOT data and uses that information as a tool that airline schedulers and planners review. He stated Mr. Sixel would also continue to do the retention analysis/leakage studies at a cost of about \$2,400 annually. He stated the only other costs we would be responsible for are travel expenses to meet with airlines. He stated we continue to pay Sixel \$2 per passenger for the Allegiant and Delta service until we reach the \$80,000 maximum. He stated if Mr. Sixel is successful in securing service from other airlines the \$2 per passenger would also apply.

Mr. Kilander asked Mr. Dobberstein if this has been money well spent.

Mr. Dobberstein stated absolutely it is money well spent.

Mr. Kilander moved the Airport Authority proceed with the contract extension with Sixel Consulting with final approval to be at the February 13 meeting when the written contract extension is received.

Second by Dr. Clark.

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

The meeting was adjourned to conduct a public hearing on the proposal for the issuance of Airport Revenue Bonds.

Public Hearing Held at 8:15 a.m. on the Proposal for the Issuance of Airport Revenue Bonds:

Mr. Dobberstein stated the Municipal Airport Authority will now hold a Public Hearing for the proposal for the issuance of airport revenue bonds. He indicated the notice of public hearing was published in the legal advertisements of The Forum. Mr. Dobberstein introduced the airport's bond counsel, Mr. Erik Johnson.

Mr. Erik Johnson, bond counsel, was recognized and stated the purpose of the hearing today is to gather any input from the public, either verbal or in writing, regarding the proposed issuance of airport revenue bonds. He stated this is a requirement of the bond process as these are tax exempt bonds.

Chairman Pawluk asked for public input on the matter.

Hearing no comment, Chairman Pawluk closed the public hearing.

Time of adjournment of the hearing was 8:17 a.m.

Received Communication from Group VI, LLC Regarding Pending Hangar Purchase:

Mr. Dobberstein stated at the last meeting we received a communication from Attorney Lowell Bottrell on behalf of Mr. David Lundeen, regarding the sale of two hangars and a fuel farm in the southeast general aviation area to a group known as Group VI, LLC. He stated we have also received a communication from Group VI signed by its Governor, David Selland. He stated the communication indicates they still have some issues to work out on the transaction. He stated in the event Group VI does acquire the assets of Fargo Aero Tech, Inc. they will be used as a private facility, not an FBO.

Mr. Dobberstein stated as of last week Group VI had engaged a company to conduct a Phase I Environmental Study on the facility.

Mr. Dobberstein stated we will have a ground lease for the original hangar at 1722 23<sup>rd</sup> Avenue North, a ground lease for the hangar at 1734 23<sup>rd</sup> Avenue North as well as a party wall agreement since that hangar is adjacent to our Hangar #4, and also a land lease for the fuel farm facility. He stated we received drafts for those three agreements and they are reviewing them.

Mr. Dobberstein stated Group VI requested a 20-25 year term but he chose to select an 18 year term, which was the end of the term for newest hangar. He stated the current lease on the original hangar expires in 2017.

Chairman Pawluk asked what will happen to the current operation of Fargo Aero Tech.

Mr. Dobberstein stated Fargo Aero Tech is still operating but it is his understanding that once the purchase is made Fargo Aero Tech will cease operations. He added that Fargo Aero Tech will be required to pay off all financial responsibilities to the Airport Authority before the sale is approved.

Mr. Dobberstein clarified that Group VI will be purchasing the fuel farm but it will be for the use of members of Group VI only and we will need to know who the members are as they are the only people who will be able to use that fuel system.

Mr. Kilander asked if it is the Airport Authority's desire to locate all fueling operations to the north end of the airport.

Mr. Dobberstein stated he does not believe there is adequate room in the south general aviation area for anyone else to add a fueling facility. He stated anyone requesting to add a fuel facility would be located to the north but at this point he does not foresee anyone making that request because of the cost. He stated he even foresees the members of the Fargo Air system abandoning their tank and partnering with the Group VI tank.

The communication from Group VI, LLC was received and filed without objection.

Received Communication from Dakota Jet Regarding Passenger Charter Service:

Mr. Dobberstein stated Dakota Jet LLP operates a passenger charter services through Fargo Aero Tech's FBO operation. He stated the airport requires that such an operation associate itself with an FBO in order to provide the service on the airport. He stated other examples on the airport are Red River Aero, which operates through Vic's Aircraft Sales, and Eagle 1 Aviation, who used to operate through Fargo Aero Tech.

Received Communication from Dakota Jet Regarding Passenger Charter Service: (Continued)

Mr. Dobberstein stated he was contacted by Mr. Erik Pfeifer, Dakota Jet, and apparently they must be one of the partners of Group VI, and they are looking for authorization to continue their service out of this facility and pay the 1.5% or minimum \$200.00 per month to the Airport Authority. He stated if in fact they are one of the owners of Group VI they would be allowed to continue their operation and would be considered a "single aeronautical service provider" but not an FBO. He stated if they are not part of this group they would then have to partner with another FBO on the field or lease or own a hangar on the airport. He stated he has received no feedback from Mr. Selland or their attorney Paul Noah on this matter.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated this is probably a good time to discuss the matter of a formal set of minimum standards for these types of operations on the airport. He stated it is very unusual for an airport of this size to not have a formal set of minimum standards. He stated such a document would eliminate the need for discussions such as this because the requirements would be spelled out clearly. He stated there is another charter operator conducting a majority of their business out of this airport, and have been for a number of months, without any type of relationship with this airport. He stated without minimum standards there is not much you can do about this. He stated Dakota Jet is certainly a reputable charter operator and he is not questioning that. He stated he feels this board needs to address this and take action. He stated he would like to see the board adopt industry standards and he added that he would be happy to assist this effort in any way he can.

The communication from Dakota Jet was received and filed without objection.

Received Proposed Contract from Ulteig Engineers for the Design of Proposed Parking Lot Improvements:

Mr. Dobberstein stated we received the proposed contract from Ulteig Engineers, Inc. for the design of the proposed parking lot improvements and Attorney Tjon has reviewed the contract. He asked Mr. Jeff Klein, Ulteig Engineers, to clarify the portion of the contract that refers to a "3.0 multiplier."

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated this basically means that the hourly charges will be at the employee's actual hourly rate for each individual employee times 3.0 for overhead and profit.

Mr. Anderson stated he thought on our other contracts with Ulteig there was a set fee schedule. He asked if we have had this type of fee on another contract.

Mr. Dobberstein stated he would have to look back at another contract. He stated most of our contracts are on federal projects and are different.

Mr. Anderson stated this project is not going to start tomorrow so he recommended we wait until the next meeting to act on this, after we have had clarification on this matter. He stated he is just looking for a fair contract.

Mr. Klein stated there is also a maximum amount included in the contract so the charges could not exceed that amount.

Received Proposed Contract from Ulteig Engineers for the Design of Proposed Parking Lot Improvements: (Continued)

Mr. Kilander asked Mr. Klein if the 3.0 times factor comes out to about the same as the amount a federal contract would require.

Mr. Klein stated he could check into that.

Chairman Pawluk stated he has a related concern. He stated he has nothing against Ulteig Engineers and he thinks they are about the best engineering firm around. He stated if we ever wanted to spread the airport business around a little bit this would be the project to do that. He stated this is a simple parking lot overlay project and any engineering firm could do it as it requires no special expertise. He stated if it were up to him he would be soliciting requests from other firms.

Mr. Kilander stated he has no particular objection to that and asked how we got to this point already.

Mr. Dobberstein stated Ulteig Engineers has already done the surveying work for the project so that it can go out to bid early this spring. He stated Standard Parking has already sent us their allocation of \$171,000 toward the project. Mr. Dobberstein stated Ulteig Engineers was directed to begin the work.

Mr. Kilander stated it sounds as if the staff has operated as the norm as typically directed by the Authority. He stated with that he does not feel we should back up on what staff has been instructed to do, however, we can consider moving forward with new direction for the staff for future activities.

Chairman Pawluk stated that is an issue the new Chairman may want to consider.

Mr. Anderson stated he agrees with Chairman Pawluk and he has no issues with Ulteig. He stated they do a great job for us and they take care of us. He stated he is just looking for fairness and possibly the problem is that he knows too much about the industry.

Discussed February 13, 2007 Meeting:

Mr. Dobberstein stated our February 13 meeting is scheduled for 1:00 pm rather than 8:00 am in order to satisfy the bond process. He stated we will be receiving bids for the revenue bonds on that day and meeting at 1:00 pm will give Springsted time to review the bids and have a recommendation.

Airport Construction and Security Update:

Mr. Darren Anderson stated we are moving ahead with the new security directives from the TSA and the changes brought about by those.

Mr. Devin Mogck, TL Stroh, was recognized and stated the temporary wall around the escalator/stair area and when that is completed they will begin the demolition of that area. He stated on the new construction on the west addition they will start on the large slope trusses on the south side of the building. He stated next week they will continue on enclosing with metal studs. He stated we also have a meeting scheduled next week with the TSA's industrial engineer for the EDS/baggage area. He stated after that meeting they should be able to finish with the drawings.

Elected Chairman of the Municipal Airport Authority for Calendar Year 2007, as Per Bylaws:

Gen. Macdonald moved to elect Mr. Bob Anderson Chairman of the Municipal Airport Authority for the calendar year 2007, as per bylaws.

Second by Dr. Clark.

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

Anderson passed his vote.

The motion was declared carried.

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 2007, as Per Bylaws:

Gen. Macdonald moved to elect Dr. Virginia Clark Vice Chairman of the Municipal Airport Authority for the calendar year 2007, as per bylaws.

Second by Mr. Kilander.

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

Clark passed her vote.

The motion was declared carried.

Adopted Resolution of Appreciation to Outgoing Chairman, Ken Pawluk:

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

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

WHEREAS, During the year of Mr. Pawluk's chairmanship, the Municipal Airport Authority and Hector International Airport have moved steadily and successfully forward, completing improvement projects, advancing the process of terminal expansion, and once again experiencing the all time boarding record for passengers flying out of Hector International Airport, and

WHEREAS, Mr. Pawluk 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. Pawluk 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. Ken Pawluk.

Second by Mr. Anderson.

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

Pawluk passed his vote.

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

Other Business:

Mr. Kilander requested that Chairman Anderson look into appointing a subcommittee to adopt minimum standards in different arenas on the airport so that as time goes along we can go back to something concrete for reference.

Mr. Dobberstein stated we drafted minimum standards a number of years ago and when presented to the board we were told to leave them alone. He stated we can copy minimum standards set by other airports but we need to take care of ourselves. He stated he has no problem with updating and clarifying things. He stated Mr. Jim Sweeney does have a lot of experience in that area.

Mr. Pawluk stated he is still looking for some public service information on the construction.

Mr. Dobberstein stated he is working with Flint Communications and using the radio live interactive segments to address that issue. He stated we will be seeing signs and floor decals directing people.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 13, 2007 at 1:00 p.m.

Time at adjournment was 8:58 a.m.

Regular Meeting

Tuesday

February 13, 2007

The Regular Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 13, 2007 at 1:00 p.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 16, 2007:

The minutes of the Annual Meeting of the Municipal Airport Authority held January 16, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$26,679.35:

Mr. Pawluk moved to approve the airport vouchers totaling \$26,679.35.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,255.61 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,722.00 to Sixel Consulting for passenger enplanement fees for January 2007 (Allegiant - \$2,594.00, Delta - \$2,128.00).

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,186.00 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$336.00 to TL Stroh Architects for partial payment request for architectural services in connection with the EDS Baggage System, Westside Terminal.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,235.00 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$363,945.00 to TF Powers Construction for Partial Payment Request #4 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$124,650.00 to Grant's Mechanical for Partial Payment Request #4 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$19,693.50 to Bergstrom Electric for Partial Payment Request #3 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Clark now present.

Received Bid Results of Revenue Bond Sale and Recommendation of Award from Springsted:

Mr. David MacGillivray, Springsted, was recognized and stated that also present today is bond counsel, Erik Johnson.

Mr. MacGillivray stated they received six bids this morning and the lowest and best bid received was from Morgan Stanley at an interest rate of 4.3494%. He stated our estimate as of January 30 was 4.33% so the actual is very close to what we have been planning. He stated the highest interest rate bid was 4.53%.

Mr. MacGillivray stated his general comments on this bid are as follows:

- we received a good number of bids

Received Bid Results of Revenue Bond Sale and Recommendation of Award from Springsted:  
(Continued)

- we structured into this bond issue a fairly aggressive optional pre-payment schedule. He stated you usually have to pay for that in the interest rate but it does not seem that there was a big premium for that.
- the credit quality for this bond issue was good as they were looking primarily at the City's credit rating.

Mr. MacGillivray also pointed out that at no cost to the Airport Authority but at a cost to the purchaser, Morgan Stanley, they were able to buy bond insurance, which is factored into their bid but not charged to the Airport Authority. He stated this is a benefit to the Airport Authority with no out of pocket costs. He added that this helps to attract investors.

Mr. Erik Johnson stated that the next step is for the Airport Authority to pass a motion approving this resolution authorizing the issuance of \$7.75 million in airport revenue bonds. He stated the Board of City Commissioners has already approved a resolution providing the financial backing of these bonds. Mr. Johnson stated the first payment of this bond issue is September 1, 2007 with the final payment due September 1, 2018 and the prepayment option is available in 2015.

Mr. Kilander moved the Airport Authority authorize the issuance of \$7.75 million in airport revenue bonds.

Second by Dr. Clark.

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

Received Change Order E-3 for an Increase of \$8,873.50, and Change Order E-4 for an increase of \$777.00, Terminal Expansion Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-3 involves rectification after running into a taxiway lighting circuit that was running outside of the building. He stated it was not indicated on the plans and the contractors ended up cutting it and rerouting it in order to continue service to the taxiway lighting.

Mr. Stroh stated Change Order E-4 is for temporary exit lighting and signage during the construction project, as required by building codes. He stated typically the project plans are submitted to the City Inspector at the time of bidding and after their review of the site they required additional exit lighting and signage.

Mr. Stroh stated we are running into a few things that have not shown up on plans because at the time buildings are constructed they don't always anticipate major remodeling project such as this one. He stated there will be more change orders but in terms of dollar figures we are still reasonably minimal in relation to the contingency set for change orders.

Mr. Pawluk asked if the plans for this building will be updated after completion of the project.

Mr. Stroh stated they will be providing "as built" drawings for this project. He stated to think that we would catch everything on an exiting building is very remote.

Received Change Order E-3 for an Increase of \$8,873.50, and Change Order E-4 for an increase of \$777.00, Terminal Expansion Project: (Continued)

Mr. Pawluk moved to approve Change Orders E-3 and E-4.

Second by Mr. Kilander.

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

Receive Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, introduced Donna Wiger, Interior Designer, who gave an overview of colors and finish materials that will be used in the project.

Chairman Anderson asked how the contractor bid these materials and will we be seeing change order.

Mr. Stroh stated the materials were specified in the project specifications. He added that they are working with the electrical engineers at Ulteig for the lighting fixtures.

Chairman Anderson asked if we are on schedule with the escalator/stair area.

Mr. Stroh stated that portion of the project is reasonably on track. He stated nothing they have run into has been insurmountable.

Mr. Stroh stated the painters are ready and anxious to get started so we will start to see a lot of activity in various areas.

Mr. Stroh gave an update on the EDS/Baggage area project. He stated there will be a pre-bid conference on March 13 and the bids will be opened on March 22. He stated there is hardly any mechanical work in this portion of the project so those items will be negotiated with a mechanical contractor.

Mr. Dobberstein stated we have not actually received written confirmation from the TSA but they have indicated that the EDS machines will be here in June.

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

Mr. Dobberstein distributed the 4<sup>th</sup> Quarter 2006 PFC Report. He stated total receipts for 2006 were \$1,146,754.48.

The PFC report was received and filed without objection.

Received Preliminary 2006 Airport Improvement Account Statement:

Mr. Dobberstein distributed the preliminary 2006 Airport Improvement Account Statement. He stated these figures have not yet been audited but it shows receipts and disbursements for 2006, as well as the balance as of 12/31/06.

The preliminary 2006 Airport Improvement Account Statement was received and filed without objection.

Continued Discussion Regarding Proposed Contract for the Design of Proposed Parking Lot Improvements:

Mr. Dobberstein stated the board members have been provided with copies of the revised contract with Ulteig Engineers, Inc. for the proposed parking lot improvements based on discussion at the last meeting.

Chairman Anderson stated he discussed the matter with Mr. Steve Synhorst, Ulteig Engineers, and the figures in question in the contract have been revised and clarified. He stated they have started the project and he would recommend the Airport Authority approve this contract which does contain a guaranteed maximum.

Mr. Pawluk moved to approve the contract with Ulteig Engineers for the design of the proposed parking lot improvements.

Second by Mr. Kilander.

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

Mr. Dobberstein stated we have already received Standard Parking's check in the amount of \$171,412 for their portion of the improvements, which was part of their lease extension agreement.

Mr. Pawluk asked Mr. Jeff Klein, Ulteig Engineers, to give a brief overview of the project.

Mr. Klein was recognized and stated part of the project will be crack sealing and a seal coat in the overflow lot for long term parking. He stated they will also be doing a mill and overlay in the short term lot, as well as some areas of full depth repair. He stated the center lane in line with the flag poles will be replaced with concrete.

Mr. Pawluk asked if this project includes some clean-up of the pedestrian access between the long and short term lots.

Chairman Anderson asked Mr. Klein to bring a copy of the plans to the next meeting for further review.

Authorized Attendance at the 2007 Upper Midwest Aviation Symposium, March 4-6, Minot:

Mr. Kilander moved to authorize attendance by staff and board members at the 2007 Upper Midwest Aviation Symposium, March 4-6, Minot.

Second by Gen. Macdonald.

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

Approved Contract Extension with Sixel Consulting:

Mr. Dobberstein provided the board members with a copy of the proposed contract extension with Sixel Consulting. Mr. Dobberstein reviewed some of the highlights of this contract.

After further discussion, Mr. Kilander moved to approve the contract extension with Sixel Consulting, including the additional clause clarifying the advertising relationship

Second by Mr. Pawluk.

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

Airport Construction and Security Update:

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

Ms. Mollie Crawford, TSA, was recognized and stated they are moving forward with the process for the EDS machines.

Other Business:

Gen. Macdonald asked for an update on minimum standards.

Chairman Anderson stated since the last meeting he did some research on the history of minimum standards. He stated this topic is a major can of worms. He stated the FAA does recommend that we do have current minimum standards for our airport but this is not a small project and will take some time. Chairman Anderson appointed Mr. Kilander the chair of this committee and gave him the authority to put anyone on the committee he wishes. He stated this is not a short term minor project and it will take a long time.

Mr. Dobberstein stated in 1972 the Airport Authority adopted minimum standards with requirements which must be met in order to provide certain aeronautical activities. He stated since those standards were adopted in 1972 the Airport Authority has made changes to them from time to time by policy or by lease agreements. He stated we have chosen, as a lot of airports do, to regulate our tenants and access to the airport to provide activities by policy. He stated it is pretty simple and straightforward, as long as you are treating everyone the same and giving everyone the same economic opportunity. He stated that has been how we have operated and it has worked well. He stated our lease agreements spell out expectations of tenants to observe the rules and regulations. He stated previous boards have tended to operate under a "free market" policy with the basic understanding that it is not up to the Airport Authority whether or not a business survives but rather up to the public. He stated you will have aeronautical service providers that want to set up shop here and if you have minimum standards you will always be attacked saying the standards are too strict. He stated it seems then that once an operator is up and running and inside the fence then the minimum standards aren't strict enough. He stated this has gone on forever. He stated we do not want to get into a situation where an operator files a Part 16 complaint with the FAA, which will hold up airport funding. He stated he feels operating on policy has worked well for us.

Gen. Macdonald agrees that minimum standards could become too detailed and discourage rather than encourage business.

Mr. Pawluk stated he is happy with things the way they are. He stated he is not aware of any problems that have not been addressed and he wants to be as encouraging to operators on the field rather than discouraging.

Chairman Anderson recommended the board members research on what the FAA says about airport minimum standards.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 13, 2007 at 8:00 a.m.

Time at adjournment was 2:12 p.m.

Regular Meeting

Tuesday

March 13, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 13, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Pawluk, Macdonald, Clark

Absent: Anderson

Others: Stewart, Tjon, Walaker

Vice Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 13, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held February 13, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$60,832.92:

Mr. Pawluk moved to approve the airport vouchers totaling \$60,832.92.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,000.00 to Midwest Testing for payment request for testing services, Terminal Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Moody's Investor Service:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,000.00 to Moody's Investors Service for bond rating fee, Project APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Standard & Poors:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,000.00 to Standard & Poors for bond rating fee, Project APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,010.00 to Sixel Consulting for payment request for quarterly airline passenger report.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,712.00 to Sixel Consulting for payment request for February passenger fees (Delta - \$3,738.00, Allegiant - \$1,974.00).

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Keller Williams Roers:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,000.00 to Keller Williams Roers for payment request for services in connection with Eastside Terminal marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$12,812.32 to Flint Communications for payment request for 2007 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,981.91 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,051.88 to TL Stroh Architects for payment request for architectural services in connection with the EDS Project, Westside Terminal, Project APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$128,367.80 to TF Power Construction for Partial Payment Request #5 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$170,820.00 to Grant's Mechanical for Partial Payment Request #5 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$81,177.50 to Bergstrom Electric for Partial Payment Request #4 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order G-6 for an Increase of \$1,274.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-6 involves three openings in the floor for the old escalators and the old stairway into the basement. He stated these openings need to be filled and covered with terrazzo and since the openings were built not considering that they would be filled in at some time in the future, some additional material and labor were required.

Mr. Dobberstein stated that Chairman Anderson has reviewed this change order and recommends approval.

Mr. Pawluk moved to approve Change Order G-6 for an increase of \$1,274.00.

Second by Mr. Kilander.

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

Received Change Orders G-7 for an Increase of \$289.00 and M-1 for an Increase of \$495.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Orders G-7 and M-1 are related. Mr. Stroh stated these change orders involve a waste pipe that was not as shown on the plans. The plans showed the pipe three feet from where it actually was so the general contractor had to make modifications so that the mechanical contractor could reroute the pipe.

Mr. Dobberstein stated that Chairman Anderson has reviewed these change orders and recommends approval.

Mr. Kilander moved to approve Change Order G-7 for an increase of \$289.00 and M-1 for an increase of \$495.00

Second by Mr. Pawluk.

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

Received Change Order M-2 for an Increase of \$7,212.00, Terminal Expansion Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order M-2 involves a waste pipe which ran right through the location for the new escalators rather than out the front of the building as shown on the plans. He stated when they ran across those waste pipes there was a considerable amount of leaking from those pipes and we were initially concerned about a lot of soil contamination. He stated soil testing was done and those showed no problem with the soil so that was good news. He stated this was quite a major reroute of the main heat piping so that is why the change order is in excess of \$7,000.00.

Mr. Dobberstein stated Chairman Anderson has reviewed this change order and recommends approval.

Mr. Pawluk moved to approve Change Order M-2 for an increase of \$7,212.00.

Second by Gen. Macdonald.

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

Continue Discussion Regarding Parking Lot Rehabilitation Project:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated at the last meeting he was directed to bring plans for the parking lot improvements. He stated in the short term lot they will be fixing potholes and sealing cracks and doing a mill and overlay on the entire short term lot. He stated we will also be replacing the center drive with concrete rather than asphalt. He added that at the last meeting Mr. Pawluk brought up concerns about the walkway between long and short term and they are proposing to get rid of the current concrete pier in the center of the walk and make it an 8' sidewalk with steel bollards to prevent cars from driving through. He stated they will be doing the short term lot in two phases so half of the lot can be used at all times.

Mr. Dobberstein asked Mr. Klein to take a look at the other sidewalks between the short and long term lots as some of them have heaved.

Mr. Klein stated in the overflow long term lot they are going to route and seal the cracks and instead of doing a seal coat they are going to do a rejuvenator and restripe it.

Mr. Klein stated the project is currently being advertised and bids will be opening on March 26, at 10:00 a.m.

Received Preliminary Statement of Operations for CY2006:

Mr. Dobberstein distributed copies of the preliminary Statement of Operations for calendar year 2006. He stated the figures have not yet been audited so they are subject to change.

The Statement of Operations for CY2006 was received and filed without objection.

Authorized Attendance at the 12<sup>th</sup> Annual National Air Service Conference, April 15-17, 2007, Louisville, KY:

Mr. Dobberstein stated he might attend this conference on air service.

Gen. Macdonald moved to authorize attendance at the 12<sup>th</sup> Annual National Air Service Conference, April 15-17, 2007, Louisville, KY.

Second by Mr. Kilander.

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

Authorized Attendance at the 79<sup>th</sup> Annual AAAE Conference & Expo, June 10-13, 2007, Washington, DC:

Mr. Dobberstein stated the AAAE Conference this year is during the week of the air show so he is not sure he or Darren Anderson will be able to attend.

Mr. Pawluk moved to authorize attendance at the 79<sup>th</sup> Annual AAAE Conference & Expo by staff members and board members.

Second by Mr. Kilander.

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

Receive Update from NDANG Requesting a Supplemental Lease Amendment to Return 11.3 Acres to the MAA (approved by MAA 11/23/2004):

Mr. Dobberstein stated we received a letter from Lt. Col. Mark Ugelstad, NDANG, Base Engineer, dated March 1, 2007. He stated this is the final phase of a property presentation made to this board back in November 2004. He stated they presented a chart of different parcels they wanted transferred into their lease and other parcels they wanted transferred back to us.

Mr. Dobberstein distributed maps of the area and reviewed the parcels identified as Area #2 and Area #3. He stated Area #2 was their run-up pad which was removed and the land has been restored for farming. He stated Area #3 is the area by former Hangar #2. He stated they waited with this request until they received word from the State that they were not responsible for any of the soil contamination in that area, which was the site of a former Northwest Airlines fuel farm. He stated these two parcels total 11.3 acres.

Mr. Dobberstein stated this completes everything that was requested back in 2004. He stated the actual document has yet to be prepared but the Guard's JAG will be working with Attorney Tjon on that document.

Mr. Pawluk asked if the environmental issues related to Area #3 will end up being the responsibility of the Airport Authority.

Receive Update from NDANG Requesting a Supplemental Lease Amendment to Return 11.3 Acres to the MAA (approved by MAA 11/23/2004): (Continued)

Mr. Dobberstein stated the State of North Dakota will still participate in the cleanup with Northwest Airlines. He added that Northwest's feeling right now is since there is no urgency in the cleanup since nothing is planned for the area right now they are not in a hurry to get the cleanup done. He added that there is enough documentation between the engineering firms and the State to show that the Guard was not the cause of the contamination.

Gen. Macdonald stated he would like to confirm that this does not change our agreement with the Guard regarding 23<sup>rd</sup> Avenue North which was closed at the Guard's request, with the understanding that the Airport Authority reserves the right to reclaim it.

Mr. Dobberstein stated this agreement does not change that.

Mr. Kilander pointed out that the map presented is not quite accurate as the first section of 23<sup>rd</sup> Avenue adjacent to North University Drive remained open at the request of Vision Bank.

Gen. Macdonald moved to approve the supplemental lease amendment with the NDANG as presented.

Second by Mr. Pawluk.

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

Attorney Stewart indicated he would make certain the agreement is clear on the Airport Authority's right to reclaim 23<sup>rd</sup> Avenue.

Received Communication from Fargo Jet Center Regarding Their Option to Purchase the North General Aviation Area Hangars and Request to Renew Other Lease Agreements:

Mr. Dobberstein stated we received two letters from Mr. Jim Sweeney, Fargo Jet Center, dated February 9 and March 9, 2007. Mr. Dobberstein stated when developing the North General Aviation Area, the Airport Authority executed lease agreements with JP Development (Fargo Jet Center) and Aviation Resources (Valley Aviation), and those leases contained a clause for an option to purchase the hangars owned by the Airport Authority. He stated when Fargo Jet Center purchased Aviation Resources they assumed those agreements as well.

Mr. Dobberstein stated Mr. Sweeney's letter of February 9 indicates their interest to purchase the hangars as well as negotiate a renewal of all of their leases, which totals approximately 19 leases. He stated that number of leases can be confusing but over the years Fargo Jet Center has expanded their operations and added leases as needed. He stated all of the agreements contain different clauses and requirements, depending on financing requirements, etc. He stated he would concur with Mr. Sweeney's request that all of the leases for facilities which they own on airport property be combined into one master lease agreement. He stated Mr. Sweeney has requested a 25 year term with two five year options. He stated Mr. Sweeney is also requesting the leases on buildings which the airport owns to also be combined into one master lease extended to May 2014.

Mr. Kilander asked Mr. Sweeney to explain the underlying reason for the request.

Received Communication from Fargo Jet Center Regarding Their Option to Purchase the North General Aviation Area Hangars and Request to Renew Other Lease Agreements: (Continued)

Mr. Jim Sweeney was recognized and stated the good news is that since Fargo Jet Center opened in 1995 with 8,000 sf of office space and 12,000 sf of hangar space, they have been able to grow the business which was able to happen because of the relationship they have with their sister company, Weather Modification Incorporated. He stated the growth would have been difficult to support with just an FBO operation so they have been fortunate to have a working relationship with Weather Modification.

Mr. Sweeney stated they are pleased the Airport Authority was generous in building their initial hangar and the initial hangar for Aviation Resources. He stated they are now in a position to purchase those hangars and return the money to the Airport Authority. He stated when this agreement was structured in the early 90's the target interest rate to be returned to the airport was 4.1% as that was what the airport was earning on its invested money at the time. He stated the figures he reviewed with Mr. Dobberstein will actually be somewhere between 6-8%.

Mr. Sweeney stated he and Mr. Dobberstein have spent quite a bit of time looking at this and reducing the leases down to two clear and simple leases for everyone to look at going forward. He stated the other requests he has in his letters, which he would also like to see accomplished today, include items to improve efficiency, safety and security. Mr. Sweeney stated one of those items is for the Airport Authority to install the card controlled access units on Hangars #3 and #4, which is estimated to cost \$15,000.

In response from Mr. Kilander, Mr. Sweeney stated the purchases would be financed with private lending.

Mr. Kilander stated he would like to see these items broken into two pieces, lease extensions and building purchases. He asked to Mr. Dobberstein for his comments.

Mr. Dobberstein stated he has reviewed the lease agreements with Attorneys Stewart and Tjon. He stated right now the longest lease agreement we have with Fargo Jet Center goes out to 2018, due to SBA financing that took place some years ago. He stated those multiple lease agreements which include all of the complexes on the North General Aviation area to include the fuel farm, T-hangars, parking lots, parcels on which they have the right of first refusal. He stated after discussion of the matter they feel the best way to go is to have one master lease agreement with attachments containing the legal descriptions for each parcel. He stated the term of that lease would be May 1, 2007 to April 30, 2032. He stated at each anniversary date throughout those lease agreements the Airport Authority has the right to adjust the ground rent.

Mr. Kilander asked if these dates are arbitrary or is there some specific reason they have been chosen.

Mr. Sweeney stated they just selected May 1 as a new start date and he is also requesting two five year options in addition to the 25 year term. He stated with the financial investment they are making they would take a 50 year term if they could get it.

Mr. Kilander asked if there is a requirement from the lender for a 25 year term.

Mr. Sweeney stated the lenders are looking at their business plan and they are completely comfortable with that.

Mr. Dobberstein stated they do have a 25 year lease on the fuel farm they purchased from Northwest Airlines so there is precedence for that term.

Received Communication from Fargo Jet Center Regarding Their Option to Purchase the North General Aviation Area Hangars and Request to Renew Other Lease Agreements: (Continued)

Mr. Pawluk stated he does not really see any disadvantage to the Airport Authority to grant the master lease concept for 25 years and it also appears advantageous to Fargo Jet Center.

Mr. Pawluk moved to approve the request from Fargo Jet Center to consolidate the leases into one master lease for the North General Aviation Area facilities and the fuel farm for a 25 year term including two five year options.

Mr. Dobberstein stated that the lease would include language that would require that certain conditions be met (aesthetic condition, satisfactory fulfillment of security requirements, current on lease payments, etc.) before any extensions are granted.

Second by Mr. Kilander.

Mr. Dobberstein clarified that this master lease is for facilities in the North General Aviation Area which are owned by Fargo Jet Center but located on airport land, and also the former Northwest Airlines fuel farm.)

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

Mr. Dobberstein stated Fargo Jet Center leases Hangar #9 in the south general aviation area on a month to month basis for \$1,000 per month and those lease terms will not change. He stated Hangar #4 currently has a term that expires in 2008 and Mr. Sweeney would like that lease extended to match Hangar #3 and the attached administration office which expires April 30, 2009. He stated the requested extension would be from May 1, 2009 to April 30, 2014. He stated the current monthly rates are \$1,200 for the administration office, \$1,805 for Hangar #3 and \$3,010 for Hangar #4.

Mr. Dobberstein recommended granting this request.

Mr. Kilander moved to approve the request from Fargo Jet Center for a lease agreement for the three facilities as outlined.

Second by Mr. Pawluk.

Gen. Macdonald asked if this lease would also include a clause that the Airport Authority reserves the right to adjust the rent.

Mr. Dobberstein stated when we advertised these hangars publicly for lease Fargo Jet Center was the highest and successful bidder on all three buildings. He stated he would like Attorney Stewart to confirm that we do not need to open this up again to the public and can grant this request.

Mr. Pawluk stated as he looks at those structures he always has the slight hesitation that we will need them for something but it doesn't seem that we have needed them so this is a good use of the buildings.

Gen. Macdonald stated he would like to see us wait until the current lease expires in 2009 before granting a lease extension. He stated he is reluctant to go past 2009 since there is no requirement for a certain term due to financing. He does not see any reason for extending it now.

Mr. Sweeney stated they currently fill all of those hangars and they would like the knowledge that they have the hangars available for their use. He stated they have also allowed the Fargo Airsho and the Air Museum use the buildings when needed. He stated 2014 sound like a long time but it is really only seven years from now.

Received Communication from Fargo Jet Center Regarding Their Option to Purchase the North General Aviation Area Hangars and Request to Renew Other Lease Agreements: (Continued)

Mr. Dobberstein stated there have been times when those hangars have been shown to businesses interested in setting up shop for an aviation related activity. He stated he is fairly confident that Mr. Sweeney would entertain that opportunity if there is a party interested in purchasing or leasing the facility for aviation related use.

Mr. Sweeney stated they want those hangars to be used for an aviation use and they have been more than open to entertaining that.

Gen. Macdonald stated he is reluctant to go past the 2009 date.

Vice Chairman called for a vote on the motion.

Kilander and Clark voted aye.

Pawluk and Macdonald voted no.

The motion failed.

Gen. Macdonald moved to extend the current lease with Fargo Jet Center on Hangar #4 to April 30, 2009, to match the lease term of Hangar #3.

Second by Mr. Kilander.

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

Mr. Dobberstein stated with regard to the request to purchase the north general aviation hangars, based on the schedule put in place when the leases were negotiated some years ago, the amortization schedule allows for a credit for a percentage of the principal paid upon exercising the option to purchase the hangars. He stated the percentage was very attractive in the first five years of the lease but decreased as time went on. He stated the current credit for principal paid is 65%.

Mr. Dobberstein stated the cost to construction the JP Development hangar was \$630,666 and with the 65% credit toward principal the purchase price would be \$443,247.07, along with \$16,269.54 for utilities and \$18,287.94 for the parking lot the total purchase price would be \$477,804.55. He stated these figures could be subject to a slight change.

Mr. Dobberstein stated the cost to construct the Aviation Resources hangar was \$1,230,281.00 and with the 65% credit of principal the price would be \$864,671.14, \$12,844.37 for utilities and \$28,379.95 for the parking lot for a total of \$905,895.46. These figures are also subject to a slight change.

Mr. Dobberstein stated total purchase price for both facilities is \$1,383,700.01.

Mr. Pawluk moved the Airport Authority approve the sale of both hangars to Fargo Jet Center, subject to review of the figures by an independent party.

Second by Gen. Macdonald.

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

Mr. Kilander offered congratulations to Mr. Sweeney, Fargo Jet Center and Weather Modification on their success.

Gen. Macdonald moved to approve the extension of the Fargo Jet Center FBO agreement to run concurrently with their master lease approved today.

Second by Mr. Pawluk.

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

Received Communication from Fargo Jet Center Regarding Their Option to Purchase the North General Aviation Area Hangars and Request to Renew Other Lease Agreements: (Continued)

Mr. Dobberstein stated we will now address the improvements requested by Mr. Sweeney. He stated the current access to the north general aviation ramp is through an overhead gate between their two buildings. He stated Mr. Sweeney is requesting the airport to construct a road off the fuel farm site to serve the cargo operators who conduct business on the north general aviation ramp. He stated this would provide safer access and would also have a sliding gate that could be operated manually in the event of a power failure. He stated the concrete for this road would probably be constructed at apron strength.

Mr. Darren Anderson was recognized and stated he suggested moving the access to the east as he thinks the TSA may have a problem with another access point on the airport. He stated the TSA's goal is to decrease the access points on the airport.

After further discussion, Mr. Kilander moved that the Airport Authority authorize the staff to move forward and work with the users to come up with a final plan for improvements for access, safety, security and the issue of gate operation during a power failure, and also the access card readers for Hangars #3 and #4.

Second by Gen. Macdonald.

Mr. Sweeney stated his request is before the board and he does not feel that further work with the staff or further clarification is needed.

Mr. Kilander stated he has no question that these things have to be done but he feels there are still some final details that need to be worked out.

Mr. Darren Anderson again stated he is not certain the TSA will allow us to put another gate on the airfield as they want to reduce access points. He stated at some time in the future we may be required to staff these access points.

Mr. Craig Mosford, TSA, was recognized and stated if the fuel farm gate is underutilized that could be relocated and replaced by the proposed gate.

After further discussion, Vice Chairman Clark called for a vote on the motion.

Kilander, Macdonald and Clark voted aye.

Pawluk voted no.

Motion carried.

Received Proposed SE Cass Water Resource District Easement R.O.W. Agreement:

Mr. Dobberstein stated this item is a follow-up to the Harris property purchase last year. He stated the SE Cass Water Resource District participated with \$50,000 in funding for the purchase of this property in exchange for an easement on the property for the Cass County Drain #10 project. He stated this document needs to be signed by the Airport Authority. He added that our attorneys have reviewed the document.

Mr. Pawluk moved to authorize execution of the documents with the SE Cass Water Resource District for the easement for Cass County Drain #10.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

Mr. Dobberstein stated they have started painting some areas of the terminal. He stated the roof is on the west addition. He stated to date we have spent \$2,825,136 on the project, not including the payments approved today. He added that we have received the funds from the bond sale.

Mr. Dobberstein stated the bid opening for the EDS/Baggage Screening portion of the project will be March 27. He stated we did receive a letter from the Department of Homeland Security confirming that they will be providing two EDS machines sometime in June.

No airport security matters were discussed.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 27, 2007 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:18 a.m.

Regular Meeting

Tuesday

March 27, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 27, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Kilander, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 13, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held March 13, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$66,902.76:

Mr. Kilander moved to approve the airport vouchers totaling \$66,902.76.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Clark now present.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$23,896.80 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Parking Lot Improvement Project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Fargo Jet Center:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,875.00 to Fargo Jet Center for payment request for coop marketing program.

Second by Mr. Kilander.

On the call of the roll, members Clark, Kilander, Pawluk, Macdonald and Anderson 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 \$588.85 to Sixel Consulting for reimbursement of travel expenses for air service meeting.

Second by Mr. Kilander.

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

Approved the Individual Voucher to Forum Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$139.08 to Forum Communications for advertisement for bids for EDS Project.

Second by Mr. Kilander.

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

Received Change Order E-5 for an Increase of \$6,634.00, Terminal Expansion Project:

Gen. Macdonald moved to approve Change Order E-5 for an increase of \$6,634.00, Terminal Expansion Project.

Second by Mr. Kilander.

Mr. Derek Diers, TL Stroh Architects, was recognized and stated this change order involves two items. He stated the first is a circuit located where the old stairway to the basement was located. The circuit actually went into the concrete slab so we had to reroute the circuit. He stated the second items involved conduit that had to be rerouted around the new escalator pits. He stated when they opened up the concrete for the escalator pits they found conduit going through the area so it had to be rerouted.

Chairman Anderson called for a vote on the motion.

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

Received Change Order G-8 for a Decrease of \$313.00, Terminal Expansion Project:

Mr. Pawluk moved to approve Change Order G-8 for a decrease of \$313.00, Terminal Expansion Project.

Second by Dr. Clark.

Mr. Derek Diers, TL Stroh Architects, was recognized and stated this change order involves a minor change in structural framing, deleting two beams that were not necessary.

Chairman Anderson called for a vote on the motion.

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

Passenger Terminal Project Update:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated everything is going pretty well. He stated they are making good progress on the west addition. He stated the painter is continuing to make progress in the main area of the terminal. He stated they have also started the framing to enclose the underside of the canopy. He stated he is not sure of the time frame of the window replacement along the south side of the building but he knows the shop drawings have been completed.

Consider Request from Dakota Air Parts to Create a Container Storage Site Adjacent to Their Hangar:

The communication from Barb Hemelstrand, Dakota Air Parts, dated March 23, 2007, was received and filed without objection.

Mr. Dobberstein reviewed the location of their hangar and introduced Mr. Hemelstrand.

Mr. KC Hemelstrand, Dakota Air Parts, was recognized and stated they are running out of space in the hangar they purchased from the Airport Authority a few years ago. He stated they thought they had a few years of growth opportunity but that has not been the case. He stated they are proposing a short term solution of buying twenty 10' x 40' shipping containers to locate adjacent to their hangar in which to store some of their inventory.

Gen. Macdonald asked Mr. Hemelstrand about his long range plans.

Mr. Hemelstrand stated their long range plan is to consider additional property on the airport. He stated they could move off the field but since their business is aviation related they like to be on the airport. He stated they could potentially build another hangar but construction is expensive.

Mr. Pawluk stated he would like to see a site plan for this proposal.

Mr. Dobberstein stated the site Mr. Hemelstrand is proposing is adjacent to the Dakota Air Parts hangar. He stated all of the concrete that was in that area was removed and the area is currently in disarray because we had to go in and make storm sewer improvements and were not able to grade and seed the area since the project was done late last fall.

Mr. Dobberstein stated as far as a site plan, the board members just need to picture a number of those storage containers placed in the area adjacent to the Dakota Air Parts hangar (50' x 260') for a definite period of time.

Mr. Pawluk stated once the containers are allowed they will probably be there forever.

Mr. Dobberstein stated the board would have to be firm in the agreement and have a definite time period they would be allowed.

Consider Request from Dakota Air Parts to Create a Container Storage Site Adjacent to Their Hangar: (Continued)

Gen. Macdonald asked about the color of the containers as he has seen those containers in all colors.

Mr. Dobberstein stated we could require that the containers all be the same color.

Mr. Dobberstein stated it basically comes down to whether or not the Airport Authority wants to make this allowance for a definite, short term in order for an existing tenant to address space needs.

Mr. Hemelstrand stated one concern they have is getting to the containers during snow season. He stated they do not want to resort to this but it is a band-aid solution to their space problem for now.

Mr. Kilander stated he is glad that Dakota Air Parts is having this problem as it means their business is growing. He stated the Airport Authority has done so many things on the airport to improve the aesthetics in that general aviation area that he would have a concern if this would be long term. He stated he would not have a problem if this was very short term.

Mr. Hemelstrand stated there is an area of about 30' of concrete north west of their hangar where they could store about 6-10 containers along side of their building and then no improvements would have to be done.

Chairman Anderson agreed that the Airport Authority has worked hard to improve the aesthetics in that area and he would also like to see a site plan. He stated he does not want the area to look like a shipyard.

Mr. Pawluk stated he is not totally opposed to the idea but he would like to see a site plan. He also suggested a fence since the containers would not be stacked. He stated maybe we can make a decision at the next meeting after a little more information.

Mr. Hemelstrand stated they have an immediate need and they would like at least a temporary solution. He asked if they could temporarily place 6-10 containers on the existing concrete adjacent to their building.

Mr. Pawluk asked Mr. Dobberstein for his recommendation.

Mr. Dobberstein stated he felt the information Mr. Hemelstrand provided was enough considering the board members' familiarity with the airport.

Chairman Anderson asked Mr. Hemelstrand if he has checked on any other available sites. He stated he knows that the Curriers have space available in their building to the east of the airport.

Mr. Hemelstrand stated he has not done a lot of checking on sites available off the airport as they would prefer to be on the airport.

Mr. Dobberstein did clarify to Mr. Hemelstrand that his lease covers only the footprint of his hangar, plus five feet around the building. He stated the 30' of concrete to which he is referring is not currently included in his leased space.

Mr. Pawluk stated aircraft salvage yards can be real eyesores so we need to set the stage so that we don't have a disagreement in the future.

Chairman Anderson stated we have not defined the term "temporary." Will it be one year or two years? He asked Mr. Hemelstrand to bring more information to the next meeting.

Mr. Dobberstein stated Mr. Hemelstrand provided exactly what he asked him to provide. He stated in his mind the request is very clear. He stated if Mr. Hemelstrand places 6-10 containers, all the same color, on the north side of his building that would be more palatable. He stated he is not in

Consider Request from Dakota Air Parts to Create a Container Storage Site Adjacent to Their Hangar: (Continued)

favor of spending a lot of money on a fence and site improvements. He stated he would like Mr. Hemelstrand to look at the option of the Currier property.

Gen. Macdonald moved the Executive Director be authorized to follow through on this request, should alternate properties not be available, to allow Dakota Air Parts to approve the placement of 6-10 containers on a concrete site and that the containers all be the same color.

Mr. Pawluk stated the containers themselves would not have to be on concrete. They would just need to be placed adjacent to concrete for vehicle access to the containers. He asked why they could not be on the ramp adjacent to the hangar.

Mr. Dobberstein stated the ramp is used by aircraft and we also have an airsho this year and he would not want to be moving the containers later for that.

Chairman Anderson asked Gen. Macdonald if his motion includes any reference to costs for any improvements.

Gen. Macdonald stated his motion gives that authority to Mr. Dobberstein and he has every confidence that he will make the right decision. He stated he does not want to see the board micromanage.

Chairman Anderson stated if there are any costs involved he feels Dakota Air Parts should be responsible for that.

Dr. Clark seconded Gen. Macdonald's motion.

Mr. Pawluk stated if Mr. Hemelstrand were constructing a hangar he would be paying for all site preparation and this should be no different.

Chairman Anderson asked Gen. Macdonald to clarify his motion.

Gen. Macdonald stated his motion gives the Executive Director the authority to make the decision on this matter and that the containers be the same color. He stated he knows Mr. Dobberstein well enough to know that he is going to look after the airport's best interest.

Mr. Dobberstein stated it is a given that any additional space would have to be leased and any improvements would have to be paid by the tenant.

Chairman Anderson called for a vote on the motion.

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

Received Update from Fargo Park District/Fargo Public Schools Regarding the Development of Riverwood Park and the Proposed Watermain Project:

Mr. Dobberstein introduced Mr. Dan Huffman, Fargo Public Schools, and Mr. Dave Leker and Mr. Jim Larson, Fargo Park District. He stated we do have a signed lease agreement with the Fargo Park District for Riverwood Park. He stated just yesterday we received a copy of the sublease agreement between the Fargo Park District and Fargo Public Schools for their use of the site. He stated Fargo Public Schools will be moving ahead with significant improvements to the site for irrigation, etc.

Received Update from Fargo Park District/Fargo Public Schools Regarding the Development of Riverwood Park and the Proposed Watermain Project: (Continued)

Mr. Dobberstein stated he has had conversations with Mr. Dave Johnson, City of Fargo Engineering Department, regarding the extension of the watermain along University Drive to that site which will be on airport property. He stated since the watermain will be on airport property the airport will be assessed for that improvement, but Fargo Public Schools has agreed to reimburse the Airport Authority the entire cost.

Mr. Huffman was recognized and stated the Fargo Public Schools is proposing to replace the football/practice fields that were located at Yunker Farm which are becoming botanical gardens. He stated there are not adequate football/soccer facilities in North Fargo. He stated they are proposing a two field complex, fenced with an 8'-10' chain link fence for security purposes. He stated the only structure on the site would be a small building on the south end which would house the irrigation equipment and the football practice equipment during the off season. He stated it would be a single story, single stall garage on a concrete foundation. He stated at this time they have no intention for restroom facilities. He stated they even looked at river water for irrigation but Ulteig Engineers advised against it for many reasons. He stated access will be off County 31 and there will be no access off North University. He stated he does not see parking as an issue because the junior high games are attended mainly by parents and the students will be bussed to the site.

Mr. Pawluk asked how they plan to handle the sanitary needs.

Mr. Huffman stated they plan to use port-a-potties.

Mr. Pawluk asked how the Airport Authority is being recognized and designated as the owner of the property in order to protect future boards from problems should the airport need to reclaim the property.

Mr. Dobberstein stated the signage will be the same as the other parks and the soccer complex.

Mr. Dobberstein stated this will involve the Airport Authority spending some money on the watermain until we can be reimbursed by the School District.

Mr. Huffman stated the City of Fargo requires a letter from the Airport Authority authorizing the City of Fargo to proceed with the watermain extension.

Gen. Macdonald moved to authorize the Executive Director to draft the letter to the City of Fargo authorizing extension of the water main.

Second by Mr. Kilander.

Mr. Kilander stated he feels it is short sighted not to do the sewer line at the same time the water main is being done.

Mr. Huffman stated they looked into that and the sewer extension is not quite as easy as the water main extension. He stated if they got to that point in the future they would come back to the airport with a similar request.

Chairman Anderson called for a vote on the motion.

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

Mr. Dave Leker, Fargo Park District, was recognized and presented an updated plan for tree plantings. He stated they have been working with Mr. Dobberstein, Scott Liudahl, City Forester, and Mr. Arnold Larson on the tree plan. He stated these trees will be bare root stock so they will be 6'-8' tall with a 1" caliper. He stated planting will be done this spring.

Received Update from Fargo Park District/Fargo Public Schools Regarding the Development of Riverwood Park and the Proposed Watermain Project: (Continued)

Mr. Leker also presented a tree planting plan for the North Broadway Park.

Mr. Leker stated a typical neighborhood park will include two football/soccer practice fields, a backstop with no infields, a playground and a shelter.

Received Communication from Dakota Jet/Fargo Jet Center:

The communication from Dakota Jet dated March 23, 2007, was received and filed without objection.

Mr. Dobberstein stated that Dakota Jet provides Part 135 passenger charter operations and were operating under Fargo Aero Tech. He stated since Fargo Aero Tech ceased to exist Dakota Jet had to make other arrangements for their operation. He stated they have come to terms with Mr. Jim Sweeney and Fargo Jet Center and will be operating under Fargo Jet Center's FBO operation. Mr. Dobberstein stated this is a formality for the public record and the proper documents will be drafted.

Mr. Pawluk moved to authorize the transfer of the Dakota Jet charter operation from Fargo Aero Tech to Fargo Jet Center.

Second by Mr. Kilander.

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

Received Bids and Recommendation of Award Associated with Proposed Parking Lot Rehabilitation Program:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated that yesterday we received bids for the parking lot improvement project. He stated Northern Improvement was the low bidder at \$178,994.54. He stated there was one other bidder, Border States Paving, and their bid was \$246,993.80. He stated he talked to Mr. Phil Duginski, Northern Improvement, following review of the bids and he indicated he was comfortable with his numbers even though their bid was quite a bit lower.

Mr. Klein stated his recommendation to the Airport Authority is to award the project to Northern Improvement.

Mr. Kilander moved the Airport Authority award the project for the parking lot improvements to Northern Improvement, based on their bid of \$178,994.54.

Second by Dr. Clark.

Mr. Dobberstein stated another project in addition to the pavement improvements is signage on the light poles which will identify the rows so people are able to identify where they parked their vehicle.

Chairman Anderson called for a vote on the motion.

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

### Received Lease Extension Renewal Agreement for First Class Seats:

Mr. Dobberstein stated we have received a request from First Class Seats to extend their lease agreement for the massage chairs in the departure lounge. He stated the chairs have been in place for a year and have generated more revenue than expected. He stated the original lease we signed last year had a clause to provide them a five year option if performance the first year was satisfactory.

Mr. Pawluk moved to approve the extension of the lease with First Class Seats.

Second by Gen. Macdonald.

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

### Airport Construction and Security Update:

Mr. Dobberstein stated we will be opening bids today at 10:30 a.m. for the EDS/Baggage Screening portion of the terminal expansion project.

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated we are expecting bids from two general contractors and three electrical contractors.

Ms. Mollie Crawford, TSA, was recognized and stated we will be getting a visit in mid April from the company that will be doing the actual installation of the EDS machines so everything is on schedule.

### Adopted Resolution of Appreciation to Roger Pfeifer, Retiring North Dakota Aeronautics Commission Employee:

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

WHEREAS, The Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the upcoming retirement of Mr. Roger Pfeifer, longtime employee of the North Dakota Aeronautics Commission, and

WHEREAS, Mr. Roger Pfeifer has been a valuable member of the aviation community, serving with the North Dakota Department of Transportation and the North Dakota Aeronautics Commission, and

WHEREAS, The Municipal Airport Authority of the City of Fargo and the many tenants of Hector International Airport have enjoyed the relationship we have had with Mr. Roger Pfeifer over the years and have appreciated his dedication to aviation in the state of North Dakota.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority does hereby thank Mr. Roger Pfeifer for his many years of dedicated service and does hereby congratulate him and wish him many years of happiness in his retirement.

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

Second by Mr. Pawluk.

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

Adopted Resolution of Sympathy to the Family of Carol J. Parmer:

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

WHEREAS, The Municipal Airport Authority of the City of Fargo, has learned of the death of Carol J. Parmer, wife of long time Executive Director of the Municipal Airport Authority, Joseph T. Parmer, and

WHEREAS, Carol J. Parmer was a beloved wife, mother, grandmother, great-grandmother, volunteer and friend to many people in the community, and

WHEREAS, Carol Parmer's presence will be greatly missed by both family and friends throughout the community and her many self-less contributions will be remembered for many years and have left a legacy of which her family members should be very proud.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority does extend its heartfelt sympathy to the entire Parmer family and extend its appreciation for the very meaningful life lived by Carol Parmer.

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

Second by Gen. Macdonald.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 10, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:54 a.m.

Regular Meeting

Tuesday

April 10, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 10, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 27, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held March 27, 2007, was approved without objection.

Approved the Airport Vouchers Totaling \$25,298.93:

Mr. Pawluk moved to approve the airport vouchers totaling \$25,298.93.  
Second by Dr. Clark.  
On the call of the roll, members Kilander, Clark, Pawluk and Anderson voted aye.  
Absent and not voting: Macdonald  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,408.43 to Sixel Consulting for reimbursement for travel expenses to attend air service meeting.  
Second by Dr. Clark.  
On the call of the roll, members Kilander, Clark, Pawluk, Anderson voted aye.  
Absent and not voting: Macdonald  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Kilander moved to approve the individual voucher in the amount of \$6,866.00 to Sixel Consulting for passenger enplanement fees for March 2007 (Delta-\$2,086.00, Allegiant - \$4,780.00).

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$214,605.00 to TF Powers Construction for Partial Payment Request #6 for general construction of Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Mr. Kilander moved to approve the individual voucher in the amount of \$132,300.00 to Grant's Mechanical for Partial Payment Request #6 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Kilander moved to approve the individual voucher in the amount of \$116,327.50 to Bergstrom Electric for Partial Payment Request #5 for electrical construction of Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

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 \$4,893.00 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Springsted:

Mr. Kilander moved to approve the individual voucher in the amount of \$41,592.33 to Springsted for payment request for bond issue services.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Approved the Individual Voucher to Erik R. Johnson & Associates:

Mr. Kilander moved to approve the individual voucher in the amount of \$25,175.19 to Erik R. Johnson & Associates for payment request for bond counsel services.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

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 \$103.20 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Parking Lot Improvement Project.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

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 \$3,781.99 to TL Stroh Architects for partial payment request for architectural services in connection with the EDS project.

Second by Dr. Clark.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received First Quarter 2007 PFC Report:

The PFC Report for the 1<sup>st</sup> Quarter of 2007 was received and filed without objection.

Received Bids and Recommendation of Award for EDS Installation Project:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated that on March 27 we received bids from general and electrical contractors for the Explosive Detection System (EDS) Remodel project. He stated we received bids from two general contractors (TF Powers and Contemporary Builders) and three electrical contractors (Bergstrom, Modern, Moorhead). He stated the low bidders were Contemporary Builders and Modern Electric.

Mr. Mogck stated the total for both bids is \$485,930 and is well under the original estimate.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the original estimate was approximately \$750,000, which was the figure given by our airport consultant. He stated baggage handling issues are always expensive so that is the reason the original figure was so high.

Mr. Mogck recommended the Airport Authority award the bids to Contemporary Builders per their bid of \$474,900.00 and to Modern Electric per their bid of \$11,030.00.

Mr. Kilander moved the Airport Authority award the bids for the EDS Remodel to Contemporary Builders and Modern Electric.

Second by Mr. Pawluk.

Mr. Mogck explained that TL Powers offered an alternate of a one year warranty rather than a five year warranty.

After further discussion on the one year vs. five year warranty and the fact that the conveyor work makes up about \$384,000 of the total project it was the consensus of the board that we would want the five year warranty.

Ms. Mollie Crawford, TSA, was recognized and stated with her experience with airlines and baggage conveyors you definitely want the five year warranty.

Chairman Anderson stated he has experience with Contemporary Builders and he is comfortable awarding the contract to them.

Chairman Anderson called for a vote on the motion.

Members Kilander, Clark, Pawluk, Anderson voted aye.

Absent and not voting: Macdonald

The motion was declared carried.

Received Change Order M-3 for an Increase of \$4,807.00, Terminal Expansion Project:

Mr. Terry Stroh, TL Stroh was recognized and stated Change Order M-3 involves quite a few items, one of which is changing out a 12,000 gallon tank to a 5,000 gallon tank, and is related to Change Order E-6. He stated the big issue is the delivery method for getting coolant to the system and the condensing units which use cool water. He stated they have been working with Obermiller Nelson Engineering and Grant's Mechanical and have come up with a modification to the system that is actually costing less than anticipated. He stated the engineers have estimated that it will save about \$1,500 in operational costs per year. He stated all parties involved feel this will be a better system with these modifications in these two change orders (M-3 and E-6). Mr. Stroh stated he recommends approval of Change Orders M-3 and E-6.

Mr. Pawluk moved to approve Change Order M-3 for an increase of \$4,807.00 and Change Order E-6 for an increase of \$3,053.00.

Second by Mr. Kilander.

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

Absent and not voting: Macdonald

The motion was declared carried.

Received Update on Terminal Expansion Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the Terminal Expansion Project. He stated there has been a delay on the delivery of the escalators. He stated one will arrive next week but the other will be delayed. He stated they have run into some issues with the removal of the wallpaper in some areas. He stated in some of the areas where the paper will not come off they will probably have to replace the sheetrock and he will get a price from the contractor for that. He stated the contractor has been working on the canopy in the front of the terminal and they have found that the canopy is not the same distance from the building at both ends so they are going to have to come up with some modifications to the canopy enclosure.

Mr. Stroh stated we are about 20% into the project and with the change orders that have been approved we have used about 7% of the contingency.

Received Proposed Contract from Ulteig Engineers for Parking Lot Project Construction Phase:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated they have drafted a proposed contract for engineering services to cover the construction phase of the parking lot project. He stated the total of the contract is not to exceed \$26,000. He stated this contract will cover construction administration, staking, inspection, etc. He stated the previous contract in the amount of \$24,000 was for the design phase of the project.

After further discussion, Chairman Anderson asked Mr. Klein to bring a further breakdown of charges for this contract to the next meeting. He also requested the actual cost of the last contract if the actual costs exceeded the maximum of \$24,000.

Airport Construction and Security Update:

Mr. Darren Anderson was recognized and stated he had nothing to report on security issues.

Ms. Mollie Crawford, TSA, was recognized and stated they will be getting their site visit this week from Quatrotech, which is the company that will actually be installing the EDS machines.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 24, 2007. (April 24 meeting was cancelled. Next meeting was May 8, 2007).  
Time at adjournment was 8:37 a.m.

Regular Meeting

Tuesday

May 8, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, ND was held Tuesday, May 8, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 10, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held April 10, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$35,642.92:

Dr. Clark moved to approve the airport vouchers totaling \$35,642.92.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$869.09 to Sixel Consulting for payment request for reimbursement of expenses to attend business development meeting.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,588.00 to Sixel Consulting for April passenger enplanement fees (Delta - \$1,400.00, Allegiant - \$3,188.00).

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Legend Technical Services:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,140.00 to Legend Technical Services for environmental survey of Eastside Terminal building.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to EideBailly:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,000.00 to EideBailly for 2006 PFC Audit, PFC06.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$740.00 to Midwest Testing for payment request for testing services in connection with the Westside Terminal Expansion Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Dawson Insurance:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,087.00 to Dawson Insurance for Builder's Risk Insurance for the Terminal Expansion Project for the period 10-23-06 to 12-31-06.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$584,345.00 to TF Powers Construction for Partial Payment Request #7 for general construction of the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$247,050.00 to Grant's Mechanical for Partial Payment Request #7 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$93,217.80 to Bergstrom Electric for Partial Payment Request #6 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,626.45 to TL Stroh Architects for Partial Payment Request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,242.38 to TL Stroh Architects for Partial Payment Request for architectural services in connection with the EDS baggage system project.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$10,227.29 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Mr. Pawluk.

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

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

Received 2006 PFC Audit Report:

Mr. Dobberstein stated it is an FAA requirement that we have our Passenger Facility Charge (PFC) program audited each year. He stated EideBailly conducted the audit again this year and their report shows that we complied, in all material aspects, with the requirements that are applicable to the Passenger Facility Charge Program for the year ended December 31, 2006.

The audit report was received and filed without objection.

Continued Discussion on Proposed Engineering Contract with Ulteig Engineers, Inc. for Parking Lot Project:

Mr. Dobberstein stated this item was tabled at the last meeting following a request for further information from Ulteig Engineers. He stated Mr. Steve Synhorst, Ulteig Engineers, has provided the board with further explanation regarding fees, inspections services, etc.

Mr. Kilander moved to approve the proposed engineering contract with Ulteig Engineers, Inc. for the parking lot project.

Second by Gen. Macdonald.

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

Received Update on Proposed Property Development Adjacent to the Airport:

Mr. Dobberstein stated we will be reviewing three different project developments on property adjacent to the airport. He stated Mr. Mark Williams, Fargo Planning Office, is present today.

Mr. Dobberstein stated the first item is a proposal for a project between 12<sup>th</sup> Avenue North and Dakota Drive and the owner, Mr. Del Arneson, is requesting a change in zoning from the Fargo Planning Commission, to allow for apartments or student housing. He stated he met with Mr. Mike Vipond, who was representing Mr. Arneson, earlier this year and he submitted their proposal to Mr. Tom Schauer at the FAA Airports District Office in Bismarck, as our projected 65 DNL noise contour goes right through the middle of that property. He stated we received their reply and based on their review they do not recommend that type of development in that noise contour area. He stated he has had conversations with Attorneys Stewart and Tjon regarding the possibility of a proximity agreement where the property owner would recognize the existence of the airport and the burden would be placed on the property owner to provide the required sound proofing, etc.

Received Update on Proposed Property Development Adjacent to the Airport: (Continued)

Mr. Mark Williams, Fargo Planning Office, was recognized and stated the owner is looking at roughly 70 apartment units on 2.63 acres and would include underground parking.

Mr. Dobberstein stated before a building permit could be issued by the City of Fargo, the FAA requires that an airspace study be done and that can take up to 90 days.

Mr. Williams stated his suggestion to the Planning Commission will be to accept the zoning request with the condition that the proximity agreement be signed prior to the second reading at the City Commission. He stated the proximity agreement will address construction materials regarding sound proofing. He stated if the Airport Authority has any input they should bring it before the Planning Commission.

Mr. Kilander stated he feels we should make our wishes known. He stated we would prefer that this type of construction not happen in this location but if it is going to happen to make sure that the responsibility for sound proofing, etc. fall on the property owner and that the existence of the airport is recognized.

Mr. Pawluk agreed the Airport Authority cannot stress enough its concern about future noise complaints coming from that property and that the proximity agreement adequately addresses that.

Mr. Dobberstein stated the second item involves Yunker Farm and the Northern Plains Botanic Garden Society. The Garden Society will be establishing a number of different gardens on the Yunker Farm property and will include a number of ponds which would cause concern for the FAA because of the attraction to birds. He stated the burden will fall upon the Garden Society or the Fargo Park District to address any problems cause by birds so an airspace study will be conducted on this property as well.

Mr. Dobberstein stated the third item involves the Ward Harris property north of the airport. He stated the Airport Authority has expressed interest in purchasing the property and met with the Harris family last December and have been working with them. He stated we did make an offer to which they did not reply and they are now proceeding with a request for a zoning change from agricultural to single family. He stated this property is in between the Gill property and the Martin property. He stated we will also want to provide our input to the Planning Commission on this request for zoning change.

Mr. Pawluk stated since this land is surrounded by land owned by the Airport Authority and we have taken a very solid position that this area should not be developed, it would seem that the only conclusion would be that the Airport Authority object to any zoning change to single family dwellings.

Mr. Pawluk moved the Airport Authority go on record as opposing the change in zoning on the Harris property west of Cass County 31 to single family dwellings.

Second by Gen. Macdonald.

Received Update on Proposed Property Development Adjacent to the Airport: (Continued)

Mr. Kilander stated he thinks we need to make sure the information given to the Planning Commission indicates the reasons for our objection includes that this is directly off the end of a proposed future runway.

After further discussion, Chairman Anderson called for a vote on the motion.

Members Clark, Pawluk, Macdonald, Anderson voted aye.

Kilander voted no.

The motion was declared carried.

Mr. Pawluk asked Mr. Williams for clarification that he has no further questions on the Airport Authority's objective on that property.

Mr. Williams indicated he had no questions.

Received Update on Eastside Terminal:

Mr. Dobberstein stated that we hired Legend Technical Services to do an asbestos survey on the entire Eastside Terminal Building, rather than the piecemeal fashion which we have done in the past when various remodeling projects have come up. He stated the estimated cost to remove all of the asbestos and also remediation of deteriorated lead-based paint is \$127,145.00. He stated this information was provided to the real estate firm marketing the building for us to be factored into any tenant improvements to be made.

Mr. Dobberstein stated this is just an FYI at this point.

Received Update on Terminal Expansion Project and Baggage System Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that one of the escalators has arrived and the second is due later in the month. He stated we did receive a letter of apology from Otis Elevator for the situation. He stated this has put us about six weeks behind in that portion of the project.

Mr. Stroh stated they have come up with a solution for the inconsistencies in the distance of the existing canopy from the building and they do not think it will cost any extra.

Chairman Anderson asked the outlook for starting on the north expansion.

Mr. Stroh stated they do not feel that they are too off from their original estimated start of mid summer. He stated right now we are on track to start in August.

Mr. Stroh stated the baggage system portion of the project should be ready to start about the end of June or beginning of July. He stated the construction portion of the project should not take that long and the baggage handling system is the biggest piece of that project.

Received Proposed Contract for EDS Baggage System:

Attorney Stacey Tjon stated she is finalizing the contracts with Contemporary Builders and Modern Electric. She stated they are working on adding some standard language the City of Fargo has been using in their contracts in the past few years.

Mr. Pawluk moved to approve the contracts with Contemporary Builders and Modern Electric, subject to final approval by the Executive Director and legal counsel.

Second by Dr. Clark.

Attorney Stewart explained that the language referred to was adopted by the City of Fargo to be used in construction contracts after lessons learned with the Fargodome project.

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

Discussed 2007 Airport Management Internship:

Mr. Dobberstein stated the ND State Aeronautics Commission is continuing their aviation student internship program again this year and will pay 50% of the cost, up to a maximum of \$3,000. He stated Mr. Darren Anderson has already been in contact with UND and there are some students interested.

Gen. Macdonald moved to authorize participation in the ND Aeronautics Commission's aviation student internship program.

Second by Mr. Pawluk.

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

Airport Security Update:

Mr. Dobberstein stated he is not aware of anything to report on airport security.

Ms. Mollie Crawford, TSA, stated she had nothing new to report at this time.

Adopted Resolution of Sympathy to the Family of Joseph T. Parmer:

Gen. Macdonald stated it was his privilege to have worked closely with Mr. Joseph Parmer for over forty years and it would be his honor to offer the following resolution and move its adoption:

WHEREAS, The Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the passing of its long time Executive Director, Mr. Joseph T. Parmer, and

WHEREAS, The Municipal Airport Authority does extend its deepest and heartfelt sympathy to the family of Joseph T. Parmer and wants them to know that we also grieve the loss of Joe Parmer as he was such a vital part of Hector International Airport and the airport "family" that has existed over the years, and

Adopted Resolution of Sympathy to the Family of Joseph T. Parmer: (Continued)

WHEREAS, The community of Fargo-Moorhead, the aviation community, and the American Legion and it's baseball program has lost a great leader, the likes of whom will never be seen again.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority does hereby pay tribute to the life lived by Joe Parmer and the legacy he leaves behind and the fact that we are all the better for having had the privilege of knowing Joe Parmer.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy be forwarded to the family of Joseph T. Parmer.

Second by Mr. Pawluk.

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

Other Business:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated following the last meeting Chairman Anderson asked him to put together an estimate on relocating an existing fire hydrant in the south general aviation area parking lot. He stated he put together an estimate on moving the hydrant and the construction estimate is \$20,000. He stated the reason it is so high is that in is in the area of the former Northwest Airlines fuel farm and if they run into contaminated soil it is estimated that would be about \$10,000 of the cost.

Chairman Anderson asked if that includes any engineering costs.

Mr. Klein stated it does not include engineering fees.

Chairman Anderson invited the other board members to go and look at the hydrant and see if it should not be moved.

Mr. Klein stated the only question is whether or not it should be moved now without knowing for sure what will ultimately be happening in that area. He stated it might be worthwhile to consider blocking it off with some bollards until we know more. He stated it is possible that if it is moved now it may have to be moved again in the future.

After further discussion, Chairman Anderson directed Mr. Klein to get some further information to make certain the hydrant would be moved to the proper location.

Ms. Mollie Crawford, TSA, was recognized and stated she has accepted a position with the TSA in Phoenix and her last day in Fargo will be May 25.

Mr. Dobberstein stated Mollie has been a true joy to work with because she truly understands the airport and airline side of security. He stated he cannot speak on behalf of the other stakeholders but it has been a lot different working with Mollie than her predecessor.

Other Business:

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

WHEREAS, The Municipal Airport Authority has been advised by Mollie Crawford, TSA Federal Security Director for Fargo, that she has accepted a position in Phoenix and her last day in Fargo will be May 25, 2007, and

WHEREAS, The Municipal Airport Authority has appreciated the pleasant and effective working relationship it has had with Ms. Crawford and has duly noted the improvements made to the TSA's security function at Hector International Airport since her arrival, and

WHEREAS, It is the hope of the Municipal Airport Authority that her replacement will approach the matter of airport security with the same attention to detail yet emphasis on customer service that has been displayed by Ms. Crawford.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Municipal Airport Authority does wish Ms. Crawford the best in her new endeavors and would welcome her back at any time.

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

Second by Mr. Pawluk.

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

Other Business: (Continued)

Mr. Dobberstein stated we will be executing the Small Community Air Service Grant for Delta Airlines and their legal team has finished the review of that agreement. He stated we have been working with the Greater F-M Economic Development Corporation, Fargo Jet Center and the CVB on some cash and in-kind contributions. He stated \$50,000 of that grant will be allocated to marketing for Delta. He stated Sixel Consulting is working on the advertising and marketing aspect of that.

Mr. Dobberstein stated Delta will be marking their one year anniversary of service to Fargo on June 8.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 22, 2007 at 8:00 a.m.

Time at adjournment was 8:45 a.m.

Regular Meeting

Tuesday

May 22, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 22, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 8, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held May 8, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$29,342.10:

Mr. Pawluk moved to approve the airport vouchers totaling \$29,342.10.  
Second by Dr. Clark.  
On the call of the roll, members Clark, Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Kilander  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,010.0 to Sixel Consulting Group for airport traffic quarterly report for calendar year 2006.  
Second by Mr. Pawluk.  
On the call of the roll, members Clark, Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Kilander  
The motion was declared carried.

Kilander now present.

Approved Change Order E-7, Bergstrom Electric, for an Increase of \$1,055.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-7 is for the relocation of electrical junction boxes for the canopy lighting and signs to meet building code.

Mr. Pawluk moved to approve Change Order E-7 for an increase of \$1,055.00.

Second by Dr. Clark.

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

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

Approved Change Order G-9, TF Powers Construction, for an Increase of \$10,920.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-9 is for sheetrock replacement on the end walls by the stairways on the main floor. He stated at the last meeting we discussed the problem they ran into trying to remove the wall covering and it was decided that we would just replace the sheetrock.

Mr. Pawluk moved to approve Change Order G-9 for an increase of \$10,900.00.

Second by Dr. Clark.

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

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

Approved Change Order G-10, TF Power Construction for an Increase of \$1,449.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-10 involves some miscellaneous changes to doors and access issues in the building and some additional sidewalk areas outside.

Second by Dr. Clark.

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

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

Received Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the exterior finish on the west side has been completed. He stated the columns and footings for the canopy extension are in place and the canopy will start to be installed next week. He stated both escalators are installed and they hope to be finished by the end of next week. He stated they plan to start installing new light fixtures in the lobby space next week. He stated we are still a little behind on the center area but they are making progress. He stated he will have a progress chart completed for the next meeting.

Received FAA Notice and Accepted FY 2007 AIP Grant Offer:

Mr. Dobberstein stated we received a letter from the FAA dated May 14, 2007, advising that our AIP grant allocation for FY-07 is \$2,702,601.00. He stated \$439,000 of that is carried over from the previous year so the amount is a little higher than usual. He stated this amount is based on passenger enplanements from two years ago. He stated the actual grant offer should be here by early next week. He stated the board can take action to accept the offer today and we can have our attorney sign it when it arrives.

Gen. Macdonald moved to accept the AIP Grant Offer from the FAA for FY 2007 and authorize legal counsel to sign the grant offer when it is received.

Second by Mr. Kilander.

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

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

Approved the Ward Harris Family "No Building" Agreement:

Mr. Dobberstein stated the board members have received copies of the proposed agreement with the Ward Harris family. He stated the Ward Harris family has requested from the City of Fargo a zoning change on this property from agricultural to some type of residential construction. He stated this agreement provides that the Harris family will not do any building on the property for a three year term from inception of the agreement.

Mr. Kilander moved to approve the proposed agreement with the Ward Harris family.

Second by Dr. Clark.

Attorney Stewart stated the agreement actually has three provisions. One provision is that they agree not to do any building on the site for a three year period. He stated the second provision is that we can introduce any relevant evidence under North Dakota law in the acquisition of this land. He stated the third, and most important in his opinion, is the provision that if the Airport Authority decides to take action to seize the property the Harris family will not protest the taking.

Gen. Macdonald asked when the updated future growth plan going to be adopted. He stated it seems to him that the updated future growth plan would not allow that zoning change.

Attorney Stewart indicated that is probably correct.

After further discussion, Chairman Anderson called for a vote on the motion.

Members Kilander, Clark, Pawluk, Anderson voted aye.

Macdonald voted no.

The motion was declared carried.

Mr. Pawluk stated he feels it is in the airport's best interest that the future growth plan continue to show the zoning as agricultural and not residential.

Received Update Regarding South General Aviation Area Hydrant Relocation:

Chairman Anderson stated at the last meeting we discussed the possible relocation of a fire hydrant in the southeast general aviation area parking lot and the estimate given was \$20,000. He asked the board members who had a chance to go look at the hydrant and what they felt should be done.

Mr. Pawluk stated for \$20,000 he would not recommend moving the hydrant but rather protecting it with some type of barrier.

Mr. Pawluk moved to authorize the Executive Director to block off the hydrant in the parking lot of the southeast general aviation area.

Second by Gen. Macdonald.

Chairman Anderson stated his first concern was our snow removal equipment.

Mr. Dobberstein stated the problem with opening that soil now is that the process of tank removal with Northwest Airlines has not been completed and it could cause problems.

Chairman Anderson called for a vote on the motion.

Members Clark, Pawluk, Macdonald, Anderson voted aye.

Kilander voted no.

The motion was declared carried.

Received Update from Red River Aero Regarding Aircraft Maintenance Operation:

Mr. Dobberstein stated Red River Aero (Lyle Andvik) is currently providing limited FBO services under Vic's Aircraft Sales' FBO operation. He stated in accordance with our lease agreements, an operator is required to advise us of any changes in operation. He stated Mr. Andvik has never exercised the aircraft maintenance portion of his authorization and he has now made arrangements with Mr. David Sahl, Kindred Aircraft Maintenance, to provide maintenance services out of the Odegaard hangar on the airport.

Mr. Kilander moved to receive and file the communication from Red River Aero advising of their intention to provide aircraft maintenance under their limited FBO operating agreement.

Second by Gen. Macdonald.

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

Airport Security/Construction Update:

Mr. Dobberstein stated the GSA's lease with the Airport Authority for TSA space in the Westside Terminal expired on May 19, 2007. He stated we have been working with the GSA to renew the existing space on a month to month basis until the terminal expansion project is completed and permanent space can be provided. He provided a layout of the areas they are interested in leasing. He stated the space shown which is on the far west end was created in the event that we proceed with a US Customs, Federal Inspection Station, but will remain unfinished

Airport Security/Construction Update: (Continued)

until that time. He stated the TSA is interested in leasing that space (unfinished) for a training and storage area. He stated they also want to lease the space currently occupied by the Airport Administration offices. He stated the TSA currently leases airline operations space behind the ticket counter and that is with the understanding that if an airline needs that space they must vacate it. He stated they also sublease a building in the south general aviation area from Fargo Jet Center. He stated they still have two years left on that lease and it is unknown at this time if they will vacate that space.

Mr. Dobberstein stated the GSA would like to enter into a five year agreement. He stated the lease rate would be a base rate plus an amount per square foot for any build out costs.

Mr. Dobberstein stated if the board members do not see any problem with the concept for the spaces proposed he will move forward with the GSA. He stated the only uncertainty is the unfinished space which was built for the US Customs Federal Inspection Station. He stated any lease for that space would have to include a clause requiring them to vacate the space should we move forward with the FIS.

Mr. Pawluk stated he would have no problem as long as the availability of the space for the FIS is addressed in the lease because once they occupy the space it would be hard to get them to vacate it.

Dr. Clark moved the Airport Authority approve the concept proposed for space to be leased by the GSA for the TSA, with the lease to include an out clause for the FIS space.

Second by Mr. Kilander.

Ms. Mollie Crawford, TSA, was recognized and stated the unfinished space will be used mainly for storage and also their on-line training room. She stated that is essential to their function as they are required to do on-line training every week for every employee. She stated if there is not room for both the administrative staff and the on-line training room they will leave the administrative staff where it is on the southeast side of the airport and use the available space in the building for the on-line training.

Mr. Kilander stated one of the original objectives for the west expansion of the terminal was to accommodate for Customs and leasing that space to the GSA would handcuff us. He agreed once they were there it would be hard to get the space back and that concerns him.

Mr. Pawluk stated he feels we should identify the alternative area now. He asked if there will be some space on the first floor.

Mr. Dobberstein stated there will be some space on the first floor in the north expansion that could possibly accommodate them. He stated there is an employee break room and restrooms planned for that area.

Mr. Pawluk stated he would like it identified and included in the agreement now.

Gen. Macdonald stated once all of the cabling required for the computers is put in place they are not going to want to move. He stated in order to prevent heartbreak later we should identify an alternate space now.

Chairman Anderson asked if we need to make this decision now.

Mr. Dobberstein stated our offices will be moving probably late in June or early July and we do not yet know what the GSA's requirement for that space will be so it might be best to wait until the first meeting in June.

Airport Security/Construction Update: (Continued)

Chairman Anderson called for a vote on the motion.  
On the call of the roll, Clark voted aye.  
Kilander, Pawluk, Macdonald, Anderson voted no.  
The motion failed.

Other Business:

Mr. Dobberstein stated we have been working on a moisture problem with Hangar #3, the unheated hangar. He stated in the spring the floor is cold and the roof gets warm and it's almost like it is raining in the hangar. He stated we are working with Mr. Joe Jenni at TL Stroh and Mr. Dave Obermiller, Obermiller Nelson Engineering to come up with a solution.

Mr. Dobberstein stated the Fargo Park District is looking for concurrence from the Airport Authority that they have included the Riverwood Addition in their deer hunt application, which would involve the airport property leased by the Park District for Riverwood Park north of the airport.

Mr. Dobberstein stated the Department of Homeland Security is changing the process for reimbursement to airports for the armed guards at security checkpoints. He stated they are changing the process to a grant system rather than reimbursement so he is working with Mr. Jon Holman, TSA, on that process and submission for that grant. He stated if we are successful in obtaining that grant the armed guards will remain at the checkpoint but if we are not successful the armed guard will go away.

Mr. Dobberstein stated if we are successful in finding tenants for the Eastside Terminal we may have to look at moving the Civil Air Patrol, which is currently located on the first floor on a gratis basis. He stated they were in the basement for a number of years but when space was vacated on the first floor we agreed to let them use the space unless it is needed by a paying tenant. He stated he has been in contact with the CAP and they are not happy about the possibility of having to move back down into the basement. He stated the CAP provides a very important service but unless the board has other feelings about the location of their gratis space it is possible they will have to move back into the basement. He asked the board members to consider this with a decision to be made at a later meeting.

Adopted Resolution of Congratulations to Fargo Jet Center for Being Recognized as One of the Finalists in the Chamber's Business of the Year:

Gen. Macdonald offered the following resolution of congratulations to Fargo Jet Center and moved its adoption:

WHEREAS, Fargo Jet Center was one of four finalists in the Chamber of Commerce of Fargo-Moorhead's Chamberchoice Business of the Year, and

WHEREAS, The Municipal Airport Authority does hereby congratulate Mr. Jim Sweeney and Mr. Pat Sweeney and the entire staff of Fargo Jet Center on this honor and also recognizes Fargo Jet Center for its accomplishments in the areas of business growth, innovation, creativity, community involvement and unique achievements, and

WHEREAS, The Municipal Airport Authority is proud to have Fargo Jet Center as a vital part of Hector International Airport and the surrounding aviation community.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Municipal Airport Authority does congratulate Fargo Jet Center and looks forward to a long, successful relationship.

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

Second by Mr. Kilander.

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

The meeting was adjourned until the next regular meeting to be held Tuesday, June 12, 2007 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:44 a.m.

Regular Meeting

Tuesday

June 12, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 12, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 22, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held May 22, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$33,347.28:

Mr. Kilander moved to approve the airport vouchers totaling \$33,347.28.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Midwest Testing:

Dr. Clark moved to approve the individual voucher in the amount of \$734.10 to Midwest Testing for payment request for quality testing services, Terminal Expansion Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Flint Communications:

Dr. Clark moved to approve the individual voucher in the amount of \$10,458.87 to Flint Communications for partial payment request for 2007 Airport Marketing Program.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Sixel Consulting:

Dr. Clark moved to approve the individual voucher in the amount of \$3,762.00 to Sixel Consulting for payment request for May passenger enplanement fees (Delta - \$1,492.00, Allegiant - \$2,270.00).

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Dr. Clark moved to approve the individual voucher in the amount of \$1,259.50 to TL Stroh Architects for payment request for architectural services, EDS Baggage Project, Westside Terminal.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to TL Stroh Architects;

Dr. Clark moved to approve the individual voucher in the amount of \$3,836.88 to TL Stroh Architects for partial payment request for architectural services, Terminal Expansion Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to TF Powers Construction:

Dr. Clark moved to approve the individual voucher in the amount of \$803,035.00 to TF Powers Construction for Partial Payment Request #8 for general construction of Terminal Expansion Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Grant's Mechanical:

Dr. Clark moved to approve the individual voucher in the amount of \$300,402.00 to Grant's Mechanical for mechanical construction of Terminal Expansion Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Bergstrom Electric:

Dr. Clark moved to approve the individual voucher in the amount of \$500,992.00 to Bergstrom Electric for Partial Payment Request #7 for electrical construction of Terminal Expansion Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Dr. Clark moved to approve the individual voucher in the amount of \$3,943.50 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Parking Lot Improvement Project.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Northern Improvement:

Dr. Clark moved to approve the individual voucher in the amount of \$49,773.95 to Northern Improvement for Partial Payment Request #1 for construction of Parking Lot Improvement Project.

Second by Gen. Macdonald.

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

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

Approved Assignment of Lease from JP Development LLP to State Bank & Trust:

Mr. Dobberstein stated Attorney Tjon has been working with JP Development's attorney, Andy Noah, on the purchase of Hangars #11 and #12 and part of the whole process is an assignment of lease from JP Development to State Bank & Trust for the hangars JP Development is purchasing from the Airport Authority.

Approved Assignment of Lease from JP Development LLP to State Bank & Trust: (Continued)

Attorney Tjon stated they are working on verifying legal descriptions of the various sites for the purchase as well as the new leases on all leased properties.

Gen. Macdonald moved to approve the assignment of lease from JP Development LLP to State Bank & Trust, subject to final approval by our attorneys.

Second by Mr. Pawluk.

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

Approved FAA Lease Extensions for ATCT Site and Multiple Airfield NAVAID Sites:

Mr. Dobberstein stated that he received a communication from Mary Berthlein, Real Estate Contracting Officer for the FAA, advising that their leases for the Air Traffic Control Tower and the various navaids expire on September 30, 2007, the end of their fiscal year. He stated Attorney Tjon has been working with Ms. Berthlein on these leases and the major item is restoration of the radar site. He stated the lease calls for the site to be returned to its original condition (farm land). He stated the FAA does not want to commit to the restoration clause in the new leases.

Mr. Dobberstein stated the FAA has requested 20 year extensions on these leases.

Mr. Pawluk moved to approve the 20 year lease extensions with the FAA for the ATCT and the various NAVAID sites.

Second by Dr. Clark.

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

Considered Lease Agreement for Eastside Terminal Office Space:

Mr. Dobberstein stated we have received a letter of intent through Keller Williams Realty from a company called Green Square (associated with Noridan) to lease space on the second floor in the Eastside Terminal. He stated the tenant is not requesting any significant improvements (carpeting, painting). He stated they are going to take care of those things themselves.

Mr. Dobberstein stated this lease will meet the FAA requirement that if the space is needed by a company providing an aeronautical use they will be required to vacate the space.

Mr. Pawluk moved to approve the lease of space in the Eastside Terminal with Green Square.

Second by Gen. Macdonald.

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

Received Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated right now we are on track to have the west addition open by the end of July and start on the north addition after that. He stated they are progressing in a lot of finish areas and we are hoping to have the escalators up and running by July 4. He stated the stairs will not be done by then as the terrazzo has to be applied to the stairs.

Received Passenger Terminal Construction Update: (Continued)

Mr. Stroh stated some of the other items that have been completed include the installation of the fuel tank for the generator, continuing on the canopy work, ceiling tiles on the second floor of the addition, bathroom tiling, new lights in the baggage claim area. He stated the replacement of windows on the existing portion of the building will begin next month and they will be working from west to east.

Mr. Stroh stated Mr. Darren Anderson has asked them to come up with a modified plan for the existing stairway near baggage claim so that it is more open between the existing area and the new addition. He stated because of the structural columns in that area they involved a structural engineer from Ulteig Engineers and it has been determined that we can make some modification to the stairway and rather than having the stairs come straight down as they are now, we will add a landing and turn lower portion of the stairs to the north. He stated that will give us another 6'8" of space and will open that up more.

Mr. Stroh stated he does not yet have firm prices from the contractor yet but they are estimating an additional cost of \$20,000.

Gen. Macdonald moved to approve the change in the stairway as presented.

Second by Mr. Kilander.

After further discussion, Chairman Anderson called a three minute recess to give the board members an opportunity to go to the site and review the proposed change.

The meeting resumed.

Chairman Anderson called for a vote on the motion.

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

Considered Request from Northwest Airlines to Install Baggage Lift on MAA Boarding Bridge:

Mr. Dobberstein stated we have received a request from Northwest Airlines for permission to install a baggage lift on the boarding bridge owned by the Airport Authority (Gate 1). He stated as part of Northwest's customer service plan with the regional jets, when you check a carry-on bag at the gate, they want the bag to be at the end of the boarding bridge when you get off the airplane. He stated this is a pretty sophisticated modification to the bridge and we will need in writing that Northwest Airlines will maintain it and take responsibility for it.

Chairman Anderson asked Mr. Dobberstein for his opinion.

Mr. Dobberstein stated we will continue to have the regional jets serving the airport so we probably don't have much choice.

Mr. Pawluk stated he thinks we need to do anything we can to help the airlines provide the best possible customer service.

Mr. Pawluk moved to approve the request from Northwest Airlines to install a baggage lift on Jetway #1.

Second by Mr. Kilander.

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

### Discuss July Meeting Dates:

Mr. Dobberstein stated he would like to propose having just one meeting in the month of July, that being Tuesday, July 17.

After discussion by the board members it was agreed that the board would meet once in July, Tuesday, July 17.

### Airport Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated Northern Improvement is working on the parking lot project. He stated they were delayed somewhat due to rain. He stated they anticipate the east half of short term to be done and open by Friday and then start on the west half on Monday.

Mr. Dobberstein stated we anticipate Contemporary Builders to be on site this week and begin on the EDS baggage system project.

### Other Business:

Mr. Dobberstein stated the abandoned underground fuel tank in the south general aviation was removed last week. He stated there was contaminated soil found but representatives from both the State of North Dakota and Northern Technologies were present to observe the removal. He stated with the cost of removing the contaminated soil the total cost of the tank removal project will be about \$25,000.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 26, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:42 a.m.

Regular Meeting

Tuesday

June 26, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 26, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Pawluk, Macdonald, Anderson

Absent: Clark

Others: Stewart, Tjon

Chairman Anderson presiding.

Approved the Airport Vouchers Totaling \$23,154.54:

Mr. Pawluk moved to approve the airport vouchers totaling \$23,154.54.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson 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 \$2,741.48 to Sixel Consulting for payment request for Delta Air Lines Marketing, DOT Small Community Air Service Grant.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Mr. Kilander moved to approve the individual voucher in the amount of \$19,890.00 to Contemporary Builders for Partial Payment Request #1 for EDS/Baggage Remodel Project, Westside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Received Change Order M-4, Grant's Mechanical, for an Increase of \$5,548.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order M-4 involves some louvers that were specified but never shown on the plans in terms of where and how many. He stated the original specifications called for insulated louvers but the insulated louvers were not required so we used the non-insulated and were able to reduce that considerably.

Gen. Macdonald moved to approve Change Order M-4 to Grant's Mechanical for an increase of \$5,548.00.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Received Change Order G-11, TF Powers Construction, for a Decrease of \$3,971.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-11 is basically modifications in site work that once the project started we found we did not have to do so that results in a decrease of \$3,971.00.

Gen. Macdonald moved to approve Change Order G-11 to RF Powers Construction, for a decrease of \$3,971.00.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Received Change Order E-8, Bergstrom Electric, for an Increase of \$2,763.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-8 to Bergstrom Electric for an increase of \$2,763.00 involves the data ports for the car rental agencies. He stated this was an item missed on the plans by the electrical engineers.

Gen. Macdonald moved to approve Change Order E-8, Bergstrom Electric, for an increase of \$2,763.00.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Received Change Order G-1, Contemporary Builders, for an Increase of \$22,159.00 (Baggage Conveyor), EDS Baggage Remodel Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated there are sections of the baggage conveyor that were designed to be gravity feed giving the screeners the ability to maneuver how the bag is fed into the machine, but it was determined that the areas of the baggage conveyor which are under the fire doors could not be gravity fed because that would allow bags to stall there and that would block the fire door. The change order replaces some of the gravity feed areas to automated feed further into the room so that it can tie into the fire door.

Gen. Macdonald moved to approve Change Order G-1 to Contemporary Builders for an increase of \$22,159.00.

Second by Mr. Kilander.

Chairman Anderson stated his only comment is that he would like Mr. Stroh to advise Contemporary Builders that the Airport Authority does not normally accept that type of profit and overhead and that they should do the change order over and re-submit it. He stated the board should go ahead and approve it so they can move ahead with the project.

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

Absent and not voting: Clark

The motion was declared carried.

Authorized Attendance at the 39<sup>th</sup> Annual Great Lakes Chapter AAE Conference, Winnipeg, MB, August 9-12, 2007:

Mr. Dobberstein stated that Darren Anderson usually attends the Great Lakes Chapter AAE Conference and he has expressed interested in going this year as well.

Mr. Pawluk moved to authorize attendance at the 39<sup>th</sup> Annual Great Lakes Chapter AAE Conference, Winnipeg, MB, August 9-12, 2007.

Second by Mr. Kilander.

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

Received Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated most of the renovations to the old canopy have been completed, with the exception of caulking, etc., and the new canopy's super structure is up and they are starting to skin that. He stated they are doing some site work and are going to start paving on the west side next week. He stated they are doing ceiling grids in the west addition and some bathroom tiling. He stated that the baggage conveyor is on site.

Mr. Stroh stated one contractor we have had a little trouble with is the terrazzo floor installer as they are busy with some other projects in town as well. He stated we initially planned to start the escalators before the stairs were done but that might not happen until the stairs are done. He stated the reason for that is that the terrazzo process is dusty and dirty and they do not want the escalators exposed to that. He stated we are still on track to have the second floor of the west end done by the middle to the end of July. He added that the foundation for the boarding bridge is in.

Receive Preliminary 2008 O&M and Improvement Fund Budgets:

Mr. Dobberstein distributed copies of the preliminary 2008 O&M Budget and 2008 Improvement Fund Budget. He stated the budget is still preliminary because we are waiting for the City Commission's action on any cost of living increase. Mr. Dobberstein reviewed income and expense accounts in the O&M Fund. He reviewed the improvement fund budgets, both federal and non-federal funds.

Chairman Anderson asked the board members if they would like more time to further review the information or if they would like to approve this today.

After further discussion, Gen. Macdonald moved to approve the preliminary 2008 O&M Budget and 2008 Improvement Fund Budget as proposed.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Chairman Anderson stated he would be interested to get information some time on how other airports similar in size compare in financial matters.

Certified Mill Levy to the Board of City Commissioners for 2008 Improvements, as per Section 2-06-14 of the North Dakota Century Code:

Mr. Kilander moved to certify to the Board of City Commissioners a mill levy for airport improvements for 2008 in the amount of \$590,000, not to exceed 2.0 mills, as per Section 2-06-14 of the North Dakota Century Code.

Second by Gen. Macdonald.

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

### Received Notice of North Dakota Aeronautics Commission State Grant Award:

Mr. Dobberstein stated we have received notice from the North Dakota Aeronautics Commission of the grant funds awarded. He stated the Aeronautics Commission had their meeting last week but changed their format and airports were not required to be present for the meeting in order to be awarded funds, unless there was a disagreement on the award. He stated this year we were fortunate to receive 100% of the funds we requested, \$263,703.00, which included the following items:

1. Airside operations, RTS crack sealing
2. Runway marking rehabilitation
3. Terminal area remodel, EDS space for baggage screening system

### Received Notice of Fiber Optic Cable Installation, Eastside Terminal Area:

Mr. Dobberstein stated we received a request from the new tenant in the Eastside Terminal, Green Square, for the extension of fiber optic cable to the building, which will be installed by Idea One. He stated Idea One has been working with Ulteig Engineers to go over our "as built" drawings for that area. He stated we will be receiving an easement for that line. He stated Green Square has been working on getting their space ready for occupancy.

### Airport Construction and Security Update:

Mr. Dobberstein stated Ulteig Engineers was not able to be at the meeting today. He stated the parking lot project is coming along. He stated the east half of the short term lot is done so the west half is now closed and they will begin work on that soon. He stated there are some areas that he asked them to make some repairs to the driving lanes in the long term long and rather than just fill them he has asked them to mill and overlay them. He stated the preliminary estimate on that is an additional \$6,000.

### Other Business:

Chairman Anderson presented Mr. Shawn Dobberstein with a plaque from the American Association of Executives commemorating his successful completion of the examination and award with the designation of Accredited Airport Executive.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 17, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:50 a.m.

Regular Meeting

Tuesday

July 17, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 17, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Regular Meetings of the Municipal Airport Authority Held June 12 and June 26, 2007:

The minutes of the regular meetings of the Municipal Airport Authority held June 12 and June 26, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$32,802.91:

Mr. Pawluk moved to approve the individual vouchers in the amount of \$32,802.91.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,750.00 for Payment Request No. 10 for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,328.00 to Sixel Consulting for June passenger enplanement fees (Delta \$3,298.00, Allegiant \$2,030).

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$116,854.14 to Northern Improvement Company for Partial Payment Request #2 for construction of Parking Lot Improvements.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$116,854.14 to TF Powers Construction for Partial Payment Request #9 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$420,595.40 to Partial Payment Request #8 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$207,360.00 to Grant's Mechanical for Partial Payment Request #9 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Contemporary Builders:

Gen. Macdonald moved to approve the individual voucher in the amount of \$19,890.00 to Contemporary Builders for Partial Payment Request #1 for general construction of EDS Baggage System Remodel, Westside Terminal.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$13,179.59 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the Parking Lot Improvement Project.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$10,748.17 to TL Stroh Architects for payment request for architectural services in connection with Passenger Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,585.00 to TL Stroh Architects for payment request for architectural services in connection with the EDS Baggage System.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,120.25 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to Asplin Excavating:

Gen. Macdonald moved to approve the individual voucher in the amount of \$27,106.32 to Asplin Excavating for removal of underground fuel tank in the southeast general aviation area.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,216.61 to Sixel Consulting for payment request for services in connection with the airline "Jumpstart" meetings.

Second by Mr. Pawluk.

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

Reviewed Cass Rural Water Construction Plans and Associated Easement Request:

Mr. Dobberstein stated this project is on the fast track. He stated Cass Rural Water is requesting an easement to install water lines extending from the water treatment plant in Fargo to the ethanol plant in Casselton. He stated Attorneys Stewart and Tjon have been working on the proposed easement.

Mr. Dobberstein stated this will affect airport property on both sides of County 20. He stated he has passed this information on to our tenant farmer and they have a compensation plan for tenant farmers.

Mr. Dobberstein stated with the board's approval, Attorneys Stewart and Tjon will continue to work with Cass Rural Water on the easement.

Mr. Pawluk stated this easement will involve many acres of airport land and his concern is that the land be returned it is previous condition, meaning the topsoil be stripped off before the trenching and then be returned after back filling.

Attorney Stewart stated the easement would contain language requiring that the land be returned to its previous condition and that the process includes stripping the topsoil and replacing it.

Mr. Pawluk stated our property should not be at a loss because of this project.

Mr. Dobberstein stated there will actually be two easements, a construction easement and a permanent easement.

Mr. Kilander moved to approve the request from Cass Rural Water for both a construction easement and a permanent easement for installation of the proposed water line, subject to final approval by the airport's attorneys.

Second by Dr. Clark.

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

### Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and distributed a gantt chart for the terminal expansion project.

Mr. Stroh stated things are moving along well on the main terminal project. He stated there will be some modification to the lighting under the canopy in front of the terminal as the current fixture allows bugs to collect. He stated everything is on track to start the north addition in September.

Mr. Stroh stated we ran into a problem with the EDS system, for which he will take responsibility. He stated the drawings showed an 18" platform for the track but the drawings should have shown 30". He stated the manufacturer's estimate for adding 12" in height to the track will cost \$19,062.00 plus the contractor's 10% overhead. He stated we also have a deduct of \$8,918.00 for the drop down doors for the baggage system so the net increase is \$12,050.00. He stated he is having trouble with the price for the change but this is such a specialty item and it is probably the labor cost. He stated TL Stroh Architects will be willing to pay the labor costs of \$6,400.00.

Mr. Stroh indicated he did not have the complete paper work completed for the change order but needed to get the board's approval as the work needs to proceed right away so that the EDS project is not delayed.

After further discussion, Gen. Macdonald moved to approve the proposed Change Order for the EDS baggage system with the cost not to exceed \$7,000.

Second by Mr. Kilander.

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

### Received Second Quarter 2007 PFC Report:

The PFC report for the second quarter of 2007 was received and filed without objection.

### Received Change Order G-12, TF Powers Construction for a Decrease of \$152.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-12 to TF Powers Construction involves a deduct of \$460.00 for a revision of truss spacing in the west addition and an increase of \$308.00 to replace slab on grade at the rain leader, for an overall decrease of \$152.00.

Mr. Kilander moved to approve Change Order G-12 for a decrease of \$152.00.

Second by Mr. Pawluk.

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

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

### Airport Construction and Security Update:

Mr. Dobberstein stated the parking lot improvement project is almost complete. He stated there is still some signage that needs to be installed and the irrigation system repairs, storm sewer cleaning, etc. He stated he asked Ulteig Engineers to review some areas in the driving lane in the when we removed the underground fuel tank on the southeast general aviation area some of the asphalt was disturbed and we will work with Northern Improvement on getting an estimate on those repairs as well.

There was nothing to report on airport security.

### Other Business:

Gen. Macdonald stated he would like to recognize and congratulate Fargo Jet Center on the recent article in which they were featured in Aviation International News. He stated it speaks well not only of Fargo Jet Center but also of Hector International Airport.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 14, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:33 a.m.

Regular Meeting

Tuesday

August 14, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held on Tuesday, August 14, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held July 17, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held July 17, 2007 were approved without objection.

Approved the Airport Vouchers Totaling \$71,670.78

Gen. Macdonald moved to approve the airport vouchers totaling \$71,670.78.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Dr. Clark moved to approve the individual voucher in the amount of \$171.70 to Midwest Testing for payment request for quality testing services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Dr. Clark moved to approve the individual voucher in the amount of \$7,284.00 to Sixel Consulting for July passenger enplanement fees (Delta - \$4,606.00, Allegiant - \$2,588.00).

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Dr. Clark moved to approve the individual voucher in the amount of \$30,039.00 to Contemporary Builders for Partial Payment Request #2 for general construction of EDS Baggage Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Dr. Clark moved to approve the individual voucher in the amount of \$9,927.00 to Modern Electric for Partial Payment Request #1 for electrical construction of EDS Baggage Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Dr. Clark moved to approve the individual voucher in the amount of \$33,341.88 to TL Stroh Architects for Partial Payment Request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Dr. Clark moved to approve the individual voucher in the amount of \$1,217.50 to TL Stroh Architects for partial payment request for architectural services in connection with the EDS Baggage Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Dr. Clark moved to approve the individual voucher in the amount of \$5,139.25 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Dr. Clark moved to approve the individual voucher in the amount of \$643,910.00 to TF Powers Construction for Partial Payment Request #10 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Dr. Clark moved to approve the individual voucher in the amount of \$128,588.00 to Grant's Mechanical for Partial Payment Request #10 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Dr. Clark moved to approve the individual voucher in the amount of \$176,037.85 to Bergstrom Electric for Partial Payment Request #9 for electrical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement:

Dr. Clark moved to approve the individual voucher in the amount of \$18,994.45 to Northern Improvement for Partial Payment Request No. 3 for construction of Parking Lot Improvements.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Kilander now present.

Approved Change Order G-13, TF Powers Construction, for an Increase of \$1,521.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order G-13 to TF Powers Construction for an increase of \$1,521.00. He stated that this change order involves the addition of three electric strikes on doors, additional framing at the new west second north wall, and some additional framing on the windows in the administration office.

Gen. Macdonald moved to approve Change Order G-13 to TF Powers Construction for an increase of \$1,520.00.

Second by Mr. Pawluk.

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

Approved Change Order G-14, TF Powers Construction, for an Increase of \$2,568.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order G-14 to TF Powers for an increase of \$2,568.00. He stated this change order involves the installation of a gate valve for the fire protection line. He stated that during testing of the new fire suppression system in the building they found a leaky valve in the existing system. He stated this is not something we could have known until the system was tested.

Mr. Pawluk moved to approve Change Order G-14 to TF Powers Construction for an increase of \$2,568.00.

Second by Dr. Clark.

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

Approved Change Order M-5, Grant's Mechanical, for an Increase of \$19,103.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order M-5 to Grant's Mechanical for an increase of \$19,103.00. He stated this change order is for a new stand pipe system. He stated this change was required by the City's building code. He stated the plans were submitted to the City for approval before we went to bid but the code officials did not catch this until after the project had gone out for bid. He stated they have been working on this for the last four months and arrived at the least expensive yet best way to get this up to code. He added that Change Order E-10 is the electrical portion of this.

Mr. Pawluk moved to approve Change Order M-5 to Grant's Mechanical for an increase of \$19,103.00.

Second by Dr. Clark.

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

Approved Change Order M-6, Grant's Mechanical, for an Increase of \$1,456.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order M-6, Grant's Mechanical, for an increase of \$1,456.00. He stated this change order involves the adjustment of a rain leader by a column. He added this was more of a cosmetic issue so we did not have to disturb a wall.

Mr. Pawluk moved to approve Change Order M-6 to Grant's Mechanical for an increase of \$1,456.00.

Second by Dr. Clark.

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

Approved Change Order E-9, Bergstrom Electric, for an Increase of \$2,565.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order E-9, Bergstrom Electric, for an increase of \$2,565.00. He stated this change order involves moving some electrical conduit due to unforeseen conditions, and also providing power and data outlets to relocate three new video monitors at the center stairs landing.

Gen. Macdonald moved to approve Change Order E-9 to Bergstrom Electric for an increase of \$2,565.00.

Second by Mr. Kilander.

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

Approved Change Order E-10, Bergstrom Electric, for an Increase of \$559.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed Change Order E-10 to Bergstrom Electric for an increase of \$559.00. He stated this was the electrical portion of the change order for the stand pipe system.

Mr. Pawluk moved to approve Change Order E-10 to Bergstrom Electric for an increase of \$559.00.

Second by Gen. Macdonald.

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

### Airport Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are still working on the change order for the modification to the stairway near baggage claim. He stated they now have a firm price on modifying the staircase in order to open up that area a bit. He distributed drawings of the proposed plan. He stated with the exception of the cost to move one outlet, which should be about \$400, the price we have is \$21,152.00. He stated they looked at dressing it up a bit such as the same glass railings as the center stairs, but that was going to be an additional \$18,000. He stated it is a stairway that very few people will use.

Chairman Anderson stated he would like to see the details on the estimate because he feels \$21,000 to modify the stairs sounds like too much. He asked for that information for the next meeting.

Mr. Stroh stated they are almost done with painting in the west addition. He stated they are still working on the baggage conveyor system and he tried to get the supplier to come down on their price to raise the height of the baggage conveyor from 18" to 30" but they were firm. He stated it is still his intention to pay the \$6,400 for labor to change the height since it was their error. He stated the terrazzo installation is slow but ongoing. He stated they are almost done with ceilings and are installing carpet in the west addition.

Mr. Stroh stated there was a problem with the glass panels to replace the windows along the south side of the existing building. He stated the glass order was ready to go but was wrong so after extensive consideration of the matter it was decided that the glass company was going to correct the order and send the right material. He stated the incorrect panels had more glass which would have taxed the HVAC system and that was confirmed by the mechanical engineer.

### Received Communication from Enterprise Rent a Car Requesting Location to Construct a Service Facility:

The communication from Julia McGrath, Enterprise Rent a Car, dated July 10, 2007, was received and filed without objection.

Mr. Dobberstein stated Enterprise Rent a Car is requesting to lease land on which to build a service facility. He stated they are in the process of finding a local architect to assist with their design/build facility.

Mr. Dobberstein stated the site they are requesting is west of Cass County Drain 10, which is currently the north east corner of the Park District's Pepsi Soccer Complex. He stated right now they are looking for approval from the board for the location.

Chairman Anderson asked if Enterprise will take care of all of the fencing, modifications, etc.

Mr. Dobberstein stated Enterprise will take care of everything; the Airport Authority simply leases the land to them. He stated there is a set of construction guidelines they will have to follow.

Mr. Pawluk moved to approve the location requested by Enterprise Rent a Car on which to build a service facility, subject to maximizing the ability for that location to support future expansion by them or others with the least interruption to the soccer fields.

Second by Mr. Kilander.

Mr. Dobberstein stated one factor that has not yet been determined is the setback from the Cass Country Drain 10, which is currently being rerouted.

Received Communication from Enterprise Rent a Car Requesting Location to Construct a Service Facility: (Continued)

Mr. Jason Eby, Enterprise, was recognized and stated they have talked with Moore Engineering and as long as they are in the area of the shelterbelt they will be alright. He also asked for confirmation that there is no space available in the current car rental service facility, as that would be their first choice.

Mr. Dobberstein stated that facility is owned by the other agencies (Avis, Budget, Hertz, National) and he believes it is full and any expansion is for their own use as well.

Mr. Bernie Ness (Avis, Budget) was recognized and indicated that was correct.

Chairman Anderson called for a vote on the motion.

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

Received Communication from Keller Williams Commercial Realty Requesting and Extension of Their Marketing Agreement for the Eastside Terminal:

The communication from Mr. Gerry Gilmour and Mr. Jim Roers, Keller Williams Commercial Realty, dated July 30, 2007, was received and filed without objection.

Mr. Dobberstein stated that Keller Williams is requesting a one year extension of their marketing agreement/showing contract that commenced June 21, 1006 and expired June 30, 2007. He stated they are looking for an extension of this agreement to show the space to interested parties that may or may not need improvements to the space. He stated they did, in conjunction with Conrad Olson, bring us Green Square Inc. as a tenant. He stated it would also continue on the multiple listing.

Mr. Kilander asked if a broker brought Shaw Construction (appearing later on the meeting agenda) to us.

Mr. Shaw indicated he did not hear about the space through a broker he just approached Mr. Dobberstein on his own.

Mr. Kilander stated if we renew the contract with Keller Williams we are not able to list any parties for which we would be excluded from paying the commission. He stated that would require a new contact.

After further discussion, Mr. Pawluk moved to approve the extension of the marketing agreement with Keller Williams for a one year period.

Second by Gen. Macdonald.

Chairman Anderson asked if we are comfortable with what Keller Williams has been doing.

Mr. Dobberstein stated that Mr. Roers did have plans for improvements to the building that had an estimated cost of about \$1.7 million, but for now we are looking for them to find tenants who want minimal or no improvements.

Chairman Anderson suggested that the new contract with Keller Williams contain a clause that we would not have to pay a commission for a tenant that comes to us directly and Keller Williams is not involved.

Received Communication from Keller Williams Commercial Realty Requesting and Extension of Their Marketing Agreement for the Eastside Terminal: (Continued)

Mr. Kilander stated that is not practical because we are asking them to go out and market the space and someone may find out about the space through their marketing efforts and whether they contact Keller Williams or the airport directly the reason the interest was triggered may have been through the marketing efforts of the agent.

Mr. Pawluk stated he agrees with Mr. Kilander's line of thinking and it is difficult to lease commercial space and he feels we should give every incentive we can to the agent.

Chairman Anderson called for a vote on the motion.

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

Received Communication from J.A. Shaw Construction Requesting a Lease for Space in the Eastside Terminal:

The communication from Jim Shaw, JA Shaw Construction, dated August 7, 2007, was received and filed without objection.

Mr. Dobberstein stated Mr. Shaw is present today and is requesting to lease space in the Eastside Terminal. The space is on the first floor, most recently occupied by Dakota Air Parts. He stated Mr. Shaw is requesting a five year term with a three percent per year escalator.

Mr. Jim Shaw was recognized and stated there are some minor expenditures for modifications to the space such as doors. He stated he would like the Airport Authority to make those improvements and then amortize the cost over the term of the lease.

Mr. Dobberstein stated we have had a variety of ways we have handled improvements for the tenants. He stated some have paid for all of the improvements themselves.

Mr. Shaw stated the changes he is requesting is to the two areas that right now are more like "shop" space and he plans to use them for offices so he would like those areas made more weather tight. He stated he feels the changes will not exceed \$10,000.

Mr. Shaw stated he would also like the right of first refusal on additional space as shown on the exhibit.

Mr. Pawluk moved the Airport Authority approve the request from JA Shaw Construction to lease space in the Eastside Terminal for a five year term with the Airport Authority funding improvements up to a maximum of \$10,000 with reimbursement of those costs based on an agreed upon percentage per month, and also approve a 15 day right of first refusal on additional space identified on Exhibit A.

Second by Mr. Kilander.

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

Approved Lease Extension for Ness Building in the Southeast General Aviation Area:

The communication from Bernie Ness dated Friday, August 10, 2007, was received and filed without objection.

Mr. Dobberstein stated Mr. Ness is requesting a five year lease extension to the ground lease on the building in the southeast general aviation area.

Gen. Macdonald moved to approve the five year lease extension for Mr. Bernie Ness as requested.

Second by Mr. Kilander.

Mr. Pawluk asked if the building could be painted.

Mr. Ness stated there is a good possibility of that. He stated the Big Blue Hangar Association has been trying to get their building painted for the last three years and he has never had a project that has encountered so many obstacles.

Chairman Anderson called for a vote on the motion.

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

Approved Lease Extension for Lamb Building in the Southeast General Aviation Area:

The communication from Mr. Maurie Lamb, National Car Rental, dated August 2, 2007 was received and filed without objection.

Mr. Dobberstein stated this is also a request for a five year extension on the ground lease for the car rental storage facility in the southeast general aviation area owned by Mr. Lamb.

Mr. Kilander moved to approve the request for a five year lease extension for Mr. Lamb.

Second by Mr. Pawluk.

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

Received Communication from Lamb Car Rental Regarding Assignment of Leases to Vanguard Car Rental USA Inc. dba Alamo and National:

The communication from Mr. Maurie Lamb, Lamb Car Rental, dated August 8, 2007, was received and filed without objection.

Mr. Dobberstein stated that Lamb Car Rental, Inc. has reached an agreement with Vanguard Car Rental USA Inc., the operator of the National Car Rental and Alamo Rent a Car brands in North America, by which Vanguard will reacquire the Fargo operations and run them as a corporate location.

Mr. Dobberstein stated Mr. Lamb is requesting the assignment of his leases to Vanguard (concession lease, which runs concurrently with the lease on the service facility west of the terminal, and also the lease just extended for the service building in the southeast general aviation area). Mr. Dobberstein stated the other item will be any change in ownership of the AutoBAHN service facility.

Mr. Pawluk moved the Airport Authority approve the transfer of ownership and the assignment of leases from Lamb Car Rental, Inc. to Vanguard Car Rental USA Inc., as requested.

Second by Dr. Clark.

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

Received Communication from Vanguard Car Rental Agency USA Regarding Assignment of Lease from Lamb Car Rental:

The communication from Mr. Jim East, Vice President, Vanguard Car Rental USA Inc. dated August 9, 2007, was received and filed without objection.

Mr. Dobberstein stated this communication is basically their letter indicating they are willing to accept the two agreements.

Adopted Resolution of Sympathy to the Family of Gerry Beck:

Gen. Macdonald stated it was his privilege to have served on the Fargo Air Museum Board of Directors with Mr. Gerry Beck and he offered the following resolution of sympathy and moved its adoption:

WHEREAS, It is with profound sorrow that the Municipal Airport Authority learned of the death of Mr. Gerry Beck, and

WHEREAS, On July 27, 2007, the aviation community suffered a great loss when it lost Mr. Gerry Beck, and although his countless and valuable contributions to aviation will be remembered and enjoyed for many years he will be deeply missed by many, and

WHEREAS, The Fargo Airport Authority is especially grateful to Gerry Beck for his role in the establishment of the Fargo Air Museum on Hector International Airport and his many selfless contributions to that effort.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Municipal Airport Authority does express its deepest and heartfelt sympathy to the Beck family and extend its appreciation for the legacy left by Gerry Beck.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent records of the proceedings of the Municipal Airport Authority and that a certified copy be sent to the family of Gerry Beck.

Second by Mr. Pawluk.

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

Other Business:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated we have departure lounge seating samples from three providers and the representatives will be making presentations on their product following the meeting. He stated any of the members are welcome to participate.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 28, 2007.

Time at adjournment was 9:03 a.m.

Regular Meeting

Tuesday

August 28, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 28, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 14, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held August 14, 2007 were approved without objection.

Approved the Airport Vouchers Totaling \$17,562.98:

Dr. Clark moved to approve the airport vouchers totaling \$17,562.98.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$4,211.22 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the north general aviation area surveying.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$5,154.23 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the parking lot improvement project.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$1,010.00 to Sixel Consulting for payment request for quarterly airline passenger report.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$436.70 to Sixel Consulting for payment request for marketing, Allegiant Air.

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$5,549.25 to Sixel Consulting for payment request for marketing, Delta Air Lines (Small Community Air Service Grant).

Second by Gen. Macdonald.

On the call of the roll, members Kilander, Clark, Pawluk, Macdonald, Anderson 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 \$500.00 to Sixel Consulting for Fargo-Allegiant Air survey website.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Contemporary Builders:

Mr. Kilander moved to approve the individual voucher in the amount of \$336,308.00 to Contemporary Builders for Partial Payment Request #3 for general construction of EDS Baggage Project, APFC07.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Modern Electric:

Mr. Kilander moved to approve the individual voucher in the amount of \$472.50 to Modern Electric for Partial Payment Request #2 for electrical construction of EDS Baggage Project, APFC07.

Second by Gen. Macdonald.

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

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

Received Change Order E-1, Modern Electric, EDS Baggage Project, for an Increase of \$525.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order E-1 to Modern Electric for the EDS Baggage Project is for some additional speakers for the PA system. He stated the change results in an increase of \$525.00.

Mr. Kilander moved to approve Change Order E-1 to the EDS Baggage Project for an increase of \$525.00.

Second by Mr. Pawluk.

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

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

Received Change Order G-2, Contemporary Builders, EDS Baggage Project, for an Increase of \$5,356.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order G-2 to Contemporary Builders, EDS Baggage Project, for a net increase of \$5,356.00, includes changing the height of the conveyor from 18" to 30" for \$13,929.00, deleting the overhead coiling doors and strip doors for a decrease of \$8,918.00, and painting one side of new wall for \$345.00. Mr. Stroh stated TL Stroh Architects will be paying the other \$6,400, which was labor for the change in the height of the conveyor.

Mr. Pawluk moved to approve Change Order G-2 to Contemporary Builders for an increase of \$5,356.00 for the EDS Baggage Project.

Second by Gen. Macdonald.

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

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

Received Change Order E-11, Bergstrom Electric, for a Deduct of \$338.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-11, Bergstrom Electric, for a deduct of \$338.00, involves the changing of the location of a light pole closer to the terminal building.

Mr. Pawluk moved to approve Change Order E-11 to Bergstrom Electric for a deduct of \$338.00.

Second by Dr. Clark.

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

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

Received Change Order E-12, Bergstrom Electric, for an Increase of \$1,663.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-12, Bergstrom Electric, for an increase of \$1,663.00, includes the relocation of power and data for the stair rerouting and the relocation of the hotel/cab reservation center.

Mr. Kilander moved to approve Change Order E-12 to Bergstrom Electric for an increase of \$1,663.00.

Second by Dr. Clark.

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

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

Received Change Order G-15, TF Powers, for an Increase of \$3,447.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-15, TF Powers Construction, for an increase of \$3,447.00 includes increasing the height of the security fence from 8' to 10' as well as other modifications to the fencing and sidewalk, and replace ceiling in the First Aid Room.

Gen. Macdonald moved to approve Change Order G-15 to TF Powers Construction for an increase of \$3,447.00.

Second by Mr. Pawluk.

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

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

Received Change Order G-16, TF Powers Construction, for an Increase of \$8,348.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-16, TF Powers, for an increase of \$8,348.00, is for the reconfiguration of the area under the stairs and escalators on the first floor. He stated originally this area was going to be partially enclosed and some of the area was going to be for the game room, but it was decided that this area should be used for wheelchair storage so this change order includes additional terrazzo, wall corner guards, stainless steel wainscoting and railings.

Received Change Order G-16, TF Powers Construction, for an Increase of \$8,348.00: (Continued)

Mr. Kilander moved to approve Change Order G-16 to TF Powers Construction for an increase of \$8,348.00.

Second by Dr. Clark.

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

Received Change Order G-17, TF Powers Construction, for an Increase of \$21,152.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order G-17, TF Powers Construction, for an Increase of \$21,152.00 is for the modifications to the existing stairs near baggage claim.

Chairman Anderson stated he has reviewed this change order in great detail. He stated his first reaction was that this amount was too high just to modify a stairway but there is quite a bit of work involved.

Gen. Macdonald moved to approve Change Order G-17, TF Powers Construction, for an increase of \$21,152.00.

Second by Mr. Pawluk.

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

Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are working on some grading on the outside of the building and also replacing some concrete. He stated inside they are working on the terrazzo floor, miscellaneous painting, offices in the new addition are almost complete as well as the departure lounge. He stated we anticipate the elevator to be complete next week and then start on the terrazzo on the stairs.

Mr. Stroh stated we are definitely having some difficulties with the glass replacement. He stated they have sent some of the new material but not all of it. He stated they have continued with the removal because they are concerned that if they do not have the removal complete it will slow down the installation process and they do not want to wait so that it gets too late in the season and the temperatures get too cold for application of the caulking. He stated they feel the more they have removed the quicker the installation will be.

Mr. Pawluk stated he does not want to see them open up more of the building than they have materials on site to install and secure. He thinks it would be a mistake to allow them to do more demolition until they have what they need on site. He stated if it gets later in the season they can secure some type of shelter when it comes time to do the caulking.

Mr. Stroh stated Mr. Pawluk has a good point and that will be discussed with Fargo Glass at a meeting today.

Mr. Dobberstein stated by doing as much removal as they can now they are saving themselves some time on the back end but we are too vulnerable to damage once it has been removed.

Passenger Terminal Construction Update: (Continued)

Chairman Anderson stated the two options are to either delay the project until spring or require the installer to take the necessary steps to adequately temporarily enclose the project and heat it to the required temperature for proper installation.

Mr. Pawluk stated the third option is to get the material here and get the job done. He stated it is not like it is winter yet.

Mr. Stroh stated another option, which would be very expensive for the installer, would be to install plywood and rubber membrane until the installation is complete and back charge the glass manufacturer for those costs. He stated we are going to be better off in the long run if they can do as much removal now so that the installation can be done without sheltering it. He stated we could stop the project until spring but that complicates things.

Chairman Anderson asked when they expect footings and foundation work on the north addition to start.

Mr. Stroh stated they plan to start on that when the west addition is opened.

Received Communication from Dakota Export Requesting Lease Extension:

The communication dated August 21, 2007 from Dmitry Kovalyov, Dakota Export, was received and filed without objection.

Mr. Dobberstein stated Dakota Export has been a tenant in the building for about a year and his current lease expires at the end of August. He stated Mr. Kovalyov is requesting a three year extension and he would recommend approving this request. He added the extension will include the three percent escalators per year.

Mr. Pawluk moved to approve the three year extension to the lease with Dakota Export.

Second by Dr. Clark.

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

Received Preliminary Proposal from Group VI for South General Aviation Area Hangar Addition:

Mr. Dobberstein stated he has been working with Mr. Dave Selland regarding a proposed 60' x 100' addition to their hangar in the south general aviation area. He stated what Group VI is looking for today is the Airport Authority's approval of the concept of the addition and also approval to lease the ground. He stated the board members have been provided with preliminary drawings from Kristy Van Beek, Case Lodging Corp.

Mr. Pawluk stated he does not have a problem with them expanding the building but he was not impressed with the look of the proposed addition.

Chairman Anderson stated he is sure there are utilities underground and that will have to be addressed.

Mr. Dobberstein stated they have already addressed the issue of utilities.

Mr. Kilander moved the Airport Authority approve the concept proposed by Group VI for an addition to their hangar.

Second by Gen. Macdonald.

Received Preliminary Proposal from Group VI for South General Aviation Area Hangar Addition:  
(Continued)

Mr. Dobberstein confirmed that this merely gives them the authorization to move to the next step which would be formal plans and drawings, which would still need the approval of the board.  
Chairman Anderson called for a vote on the motion.  
All members present voted aye and the motion was declared carried.

Received Notice of Membership Assignment for AutoBAHN Car Rental Service Facility:

Mr. Dobberstein stated we received a draft of an Assignment of Membership Interest between Lamb Car Rental, Inc. and Vanguard Car Rental USA, Inc. Mr. Dobberstein stated this assigns Mr. Lamb's membership in the Auto-BAHN service facility to Vanguard.

Mr. Pawluk moved the Airport Authority grant consent of the assignment of membership in the Auto-BAHN facility from Lamb Car Rental, Inc. to Vanguard Car Rental USA, Inc., subject to review of the document by our legal counsel.

Second by Dr. Clark.

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

Considered Permanent Easement Request from Southeast Cass Water Resource District Associated with Cass County Drain #10:

Mr. Dobberstein stated once the Cass County Drain #10 project is completed we will need to approve the permanent easement. He stated Attorneys Stewart and Tjon have reviewed the document.

Gen. Macdonald moved to approve the Permanent Easement between the Municipal Airport Authority and Southeast Cass Water Resource District for the current project to reroute Cass County Drain #10.

Second by Dr. Clark.

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

Airport Construction and Security Update:

Mr. Darren Anderson was recognized and stated the EDS baggage system is up and running smoothly so far. He stated we are working on some glitches but other than that it is very nice.

Mr. Dobberstein stated with regard to our contract with American Security and Protection, they have advised us of an increase in the rate for the traffic guard from \$11.52 per hour to \$11.77 per hour. He stated the TSA will also be handling the reimbursement program for the cost of the guard at the checkpoint differently starting October 1. He stated we went through a process to apply for a grant to be used for that purpose.

Other Business:

Mr. Dobberstein stated our congressional delegation was notified by the Department of Transportation that we were awarded a discretionary grant in the amount of \$2.9 million. He stated we did not budget to receive this money as this is the type of money you can never be certain you will receive until you have it in hand. He stated when we budgeted for the project and went through our bond process we did not include receiving this amount.

Mr. Dobberstein stated the grant (AIP33) is still going through the process so we need the board to take action to accept the grant and authorize execution once the documents are received. He stated these funds will offset the federal share of the north addition of the terminal expansion project. He stated if we would have had this grant in hand at the time we issued our bonds, we would have issued \$2.9 million less in bonds, but we did not have it in hand so we had no choice at that time. He stated this will allow us to use less of our reserve funds.

Mr. Dobberstein stated that Mr. Steve Obenauer and Mr. Tom Schauer in the Bismarck FAA Airports District Office really went to bat for us on this because terminal building projects receive the absolute lowest priority rating in the distribution of federal funds for airport projects.

Mr. Pawluk moved to accept FAA Grant No. AIP 3-38-0017-33, subject to review by legal counsel.

Second by Dr. Clark.

Mr. Dobberstein stated these funds will go toward the north expansion portion of our terminal project so we will have to use less of our reserve funds.

Chairman Anderson called for a vote on the motion.

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

Mr. Dobberstein stated Senator Dorgan held a meeting in Bismarck last week and invited officials from Northwest Airlines and the communities in North Dakota that have Northwest Airlines service. He stated the Northwest officials were cordial and apologetic for the problems we experienced at the end of June and July. He stated they have assured us that they now have adequate reserve pilots so at the end of the month they will be able to cover their scheduled flights. He stated each community represented expressed various concerns. He stated our concerns included consistency in the type of aircraft in our schedule. He stated we need them to sustain the Airbus fleet in our schedule through the summer months to handle large events. He stated he did advise them that for the first time since 1931 they are not the dominant carrier in Fargo and their market share is less than 50%. He stated Skywest (United and Delta) has taken a lot of their market share and we challenged them to try to get some of that back. The fact that the other carriers have captured a greater share of the passengers reflects what the business community and the traveling public has done to support other carriers as they have come into the market.

Gen. Macdonald asked if Fargo-Detroit service was mentioned.

Mr. Dobberstein stated it was not mentioned formally. He stated that is certainly something we will have to take a look at in the future.

Other Business: (Continued)

Gen. Macdonald stated he remembers when Northwest was backing us to get another carrier to take passengers to Denver because they couldn't handle any more passengers in Minneapolis. He stated it seems counter productive for them on one hand to say they can't handle any more passengers in Minneapolis and on the other hand their market share and passenger count in Fargo are going down, yet they don't want to put a non-stop flight to Detroit.

Mr. Dobberstein stated Northwest projected that their average load factor system-wide for 2007 would be 85% and the load factor out of Fargo 62%. He stated Northwest's load factor out of Fargo has been 58%-65% for many years. He stated the message we have received for years is that they do not want to bring too many passengers in from the spoke airports or they will not have enough seats to accommodate them on their flights out of Minneapolis. He stated he thinks the fare structure on our routes will be designed to maintain that load factor.

Gen. Macdonald stated he does not know what good it would do but he feels the Airport Authority should write a letter to the CEO requesting non-stop service to Detroit and see what their response is.

Mr. Dobberstein stated if Delta starts Fargo-Atlanta it will probably happen.

Mayor Walaker was recognized and stated that Mr. Dobberstein did a wonderful job of presenting Fargo's concerns to Northwest Airlines. He stated Northwest did admit they have made some mistakes and we obviously got their attention. He stated they understand that Fargo is important to them and that air service affects not only the airport but the entire community. He stated he feels the meeting was time well spent.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated he was fortunate to have been able to attend the meeting. He stated airlines have a fare structure down to a science and that is not going to change. He stated Fargo is very fortunate to have the service and flights that we do from Northwest Airlines, especially comparing our situation to other cities in the state.

Gen. Macdonald stated he would still like to see us send a formal letter to Northwest Airlines.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 25, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:01 a.m.

Regular Meeting

Tuesday

September 25, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 25, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 28, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held August 28, 2007 were approved without objection.

Approved the Airport Vouchers Totaling \$44,709.61:

Mr. Pawluk moved to approve the airport vouchers totaling \$44,709.61.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Clark  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,218.00 to Sixel Consulting for August passenger boarding fees (Delta - \$3,654.00, Allegiant - \$2,564.00).  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Clark  
The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,933.45 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$640.00 to TL Stroh Architects for payment request for architectural services in connection with the EDS Baggage System, Westside Terminal, Project APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,875.39 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$528,010.00 to TF Powers Construction for Partial Payment Request No. 11 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$105,480.00 to Grant's Mechanical for Partial Payment Request No. 11 for general construction of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$155,123.18 to Bergstrom Electric for Partial Payment Request no. 10 for electrical construction of Terminal Expansion Project.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,569.43 to Sixel Consulting for partial payment request for Delta Air Lines marketing program (Small Community Air Service Grant).

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,256.00 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the parking lot improvements.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$662.10 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Cook Sign Co.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,114.36 to Cook Sign Co. for electronic message center signs, Gate 5 area and west baggage claim, Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark.

The motion was declared carried.

Clark now present.

Received Change Order E-13, Bergstrom Electric, for an Increase of \$8,622.00, Terminal Expansion Project:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-13 contains five items for an increase of \$8,622.00.

1. Add power to room to be used by Fargo PD.
2. Provide connection to chemical mixer for HVAC system.
3. Provide three card readers at doors
4. Provide light fixture in First Aid Room.
5. Provide connection to condensate pump.

Mr. Kilander moved to approve Change Order E-13 to Bergstrom Electric for an increase of \$8,622.00.

Second by Mr. Pawluk.

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

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

Received Change Order E-14, Bergstrom Electric, for an Increase of \$2,520.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-14 for an increase of \$2,520.00 includes two items. He stated the first is moving a horn and strobe for the fire alarm which was requested by the City of Fargo code officials. He stated the other is a starter for the chiller circulating pump in the basement.

Gen. Macdonald moved to approve Change Order E-14 to Bergstrom Electric for an increase of \$2,520.00.

Second by Dr. Clark.

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

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

Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the installation of the terrazzo floor in the west addition is completed and they are continuing to work on the stairs. He stated we are hoping to have the lower level of the west addition open in the next couple of weeks and we have actually started using the upper level Gate 5. He stated they have started demolition of concrete for the north expansion. He stated the existing canopy is about 98% complete and they are making progress on the new canopy for the west addition. He stated they are also moving along on the window replacement project.

Mr. Stroh stated they have received bids on the departure lounge seating and Donna Wiger is here to present those bids.

Ms. Donna Wiger was recognized and stated they sent bid specifications to three companies representing the manufacturers of Arconas, Herman Miller and Kusch. She stated that in order of price the highest is Kusch, the second Herman Miller, and the lowest Arconas.

Mr. Stroh stated the opinion of most of the people we had try out all four samples is that the Herman Miller is the most comfortable. He stated it is also the lightest to move for maintenance purposes. He stated 80% of international airports in the world have this same seating, which was designed in the 1960's and has never changed. He stated the seat and the back are interchangeable so if either needs to be replaced it is the same piece.

Mr. Stroh stated the budget in the project for furniture was \$500,000 and the Herman Miller bid was \$535,120.47. He stated that price includes electrical outlets in the table units.

Mr. Stroh stated they are recommending the Herman Miller seating for various reasons given and included in those are the local representation through Inter Office, their dealer in Fargo. He stated Inter Office also included in their bid proposal that they would come out and re-arrange the seating units once within six months of delivery. He stated the other advantage to the local dealer is that they will order the full amount and then delivery it to us in phases as needed.

Chairman Anderson stated we can consider this until the next meeting or we can take action today.

Dr. Clark moved to accept the bid received from Inter Office for the Herman Miller seating per their bid of \$535,120.47.

Second by Gen. Macdonald.

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

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

Received Update Regarding Group VI Plans to Expand South General Aviation Area Hangar:

Mr. Dobberstein stated at the last meeting we received a preliminary set of plans from Paces Lodging representing Group VI for an addition to their hangar in the south general aviation area. He stated the board approved the concept which allowed Group VI to move forward to the next step. He stated Mr. Mark Sundet, Paces Lodging, is here today to present a more formal plan for approval.

Mr. Sundet was recognized and stated the proposed building addition is approximately 6,000 square feet to house about 12 cars. He stated they are proposing a metal structure attached to an existing metal building.

Mr. Dobberstein stated some of the comments from the board members at the last meeting were that it looked like a "lean to." He stated it was suggested that they look at a parapet roof.

Mr. Sundet stated they could look at that on the two end walls but not the low end because of ice damming.

Mr. Pawluk stated the option proposed is least attractive alternative aesthetically. He stated he does not think adding a parapet on the two sides would help.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated from an architect's opinion the addition as proposed is a "lean to".

Gen. Macdonald moved to approve the request from Group VI for an addition to their hangar.  
Second by Mr. Kilander.

Gen. Macdonald asked Mr. Sundet if they had explored any other options.

Mr. Sundet stated this was what was requested by Mr. Offutt.

Mr. Kilander asked if there is a precedent in the south general aviation area that would tell us that this (lean-to look) would be a normal direction in which to go. He stated if not then he does not know why we would go forward in authorizing something that would be outside of the scope what we have thought to be aesthetically responsible.

Mr. Pawluk stated he would agree with Mr. Kilander, however, we need to frame it in terms of where reality is in that area. He stated new construction in the south general aviation area has always been a higher and greater style and quality of what was already there. He stated along with the new buildings we have the igloo, Bernie Ness's old filling station, and the old Fargo Aero Tech building, which is no beauty either. He stated what happens if we approve this is that the whole complex which was built just recently and includes the airport's two hangars and the Group VI hangar (former new Fargo Aero Techhangar) is a lean to on the side of the high quality looking building.

Gen. Macdonald stated there probably isn't an alternative. Either we let them build it or we don't let them build it.

Chairman Anderson stated there are other alternatives.

Gen. Macdonald stated we are in a customer relationship with them and they have requested this and while he is not particularly enamored with the design he does not feel it will destroy our airport. He stated he would like to hear Chairman Anderson's opinion on alternatives.

Chairman Anderson stated he has definite opinions about this. He stated some of Mr. Sundet's partners are clients of his so he would not like to comment and when it comes time to vote he will abstain from voting. He stated they could build a flat roof and install interior roof drains. He stated it could be a metal building as there are other metal buildings in the area.

Received Update Regarding Group VI Plans to Expand South General Aviation Area Hangar:  
(continued)

Mr. Kilander stated he has no problem with the concept. His only concern is that the Airport Authority has been working on the aesthetics of the airport and he wonders if this will set us back a step.

Gen. Macdonald stated to him keeping the area looking nice has more to do with actual maintenance and upkeep of the buildings rather than design.

Mr. Pawluk asked Mr. Sundet if he has the ability to bring an alternate plan before the Authority.

Mr. Kilander moved to table the motion until the next meeting, October 9, 2007, to provide time for Group VI to present an alternate plan.

Second by Dr. Clark.

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

Macdonald voted no.

Anderson abstained.

The motion was declared carried.

Received Update from Obermiller Nelson Engineering Regarding HVAC Options for South General Aviation Area Hangar:

Mr. Dobberstein stated we received a communication from Fargo Jet Center this spring regarding a moisture problem they had in April in Hangar #3, which is the unheated hangar they lease in the south general aviation area. He stated we asked Obermiller Nelson Engineering to evaluate the situation and make recommendations.

Mr. David Obermiller, Obermiller Nelson Engineering, was recognized and stated he was not in the hangar this spring when the problem occurred but he does have some general comments and recommendations for the problem. He stated the three options he would suggest are as follows:

1. Heat the space with propane heaters to warm the floor.
2. Add gas fired overhead infrared heaters (\$30,000 estimate)
3. Install gas fired unit heaters (\$12,000 estimate)

Mr. Obermiller indicated they could research more options but these are the most obvious. He stated there is an opportunity to get this installed before the problem occurs again in the spring.

Gen. Macdonald asked if this improvement would result in additional rent and if so is the tenant willing to pay that?

Mr. Dobberstein stated Fargo Jet Center asked for a solution to the problem.

Mr. Pawluk stated it would be hard to justify the expense without seeing an increase in rent.

Chairman Anderson stated the solution is air movement. He stated they have been in the building since 2001 and they had the problem the first time for three or four days just this spring.

Mr. Jeremy Sobolik, Fargo Jet Center, was recognized and stated they have had moisture issues in the past but this is the first time a customer has complained.

Received Update from Obermiller Nelson Engineering Regarding HVAC Options for South General Aviation Area Hangar:

Chairman Anderson stated the Airport Authority owns the building and we do not want any rust. He stated the solution is always air movement and it is not expensive. He stated it would be a good idea to inspect the building to see if there is any rust. He stated it would probably cost about \$12,000 and it is up to Fargo Jet Center whether they use the heat during the winter or just during those days in the spring.

Gen. Macdonald stated if the building itself is not having any problems because of this condition then it is probably not our problem but the tenant's problem. However, if it is causing problems to the building then it is our problem.

Mr. Stroh stated ceiling fans would probably solve the problem.

Mr. Pawluk suggested we have Mr. Obermiller come back to the next meeting with an estimate on the cost of ceiling fans.

Airport Construction and Security Update:

No items to discuss.

Received Communication from Green Square Requesting Right of First Refusal for Additional Eastside Terminal Space:

The communication from Mr. Mike Hurley, Green Square, Inc., dated September 24, 2007, was received and filed without objection.

Mr. Dobberstein stated Green Square is one of our new tenants in the Eastside Terminal and occupy space on the second floor. He stated Mr. Hurley is requesting a 21 day right of first refusal on additional space adjacent to theirs.

Mr. Dobberstein stated they have 14 employees now and are looking to double that in the near future. He stated the board granted a 15 day right of first refusal to Shaw Investments recently so we would probably match that.

Mr. Pawluk moved to approve the request from Green Square, Inc. for a 15 day right of first refusal on office space in the Eastside Terminal.

Second by Dr. Clark.

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

Other Business:

Mr. Dobberstein stated the FAA was here last week to conduct our annual airfield certification inspection and for the fourth year in a row we received a perfect score on our inspection. He stated this was the first perfect inspection this particular inspector had conducted. He stated Darren Anderson and Henry Swedberg deserve all of the credit for that.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 9, 2007, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 9:02 a.m.

Regular Meeting

Tuesday

October 9, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 9, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Pawluk, Macdonald, Anderson

Absent: Clark

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 25, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held September 25, 2007 were approved without objection.

Approved the Airport Vouchers Totaling \$31,754.95:

Mr. Pawluk moved to approve the airport vouchers totaling \$31,754.95.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Mr. Kilander moved to approve the individual voucher in the amount of \$180.00 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson 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 \$3,354.00 to Sixel Consulting for September passenger enplanement fees (Delta - \$1,452.00, Allegiant - \$1,902.00).

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Kilander moved to approve the individual voucher in the amount of \$4,214.00 to Northern Improvement for Partial Payment Request (Final) for parking lot improvements.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$239,374.35 to TF Powers Construction for Partial Payment Request #12 for general construction, Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Kilander moved to approve the individual voucher in the amount of \$150,355.55 to Bergstrom Electric for Partial Payment Request #11 for electrical construction, Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Mr. Kilander moved to approve the individual voucher in the amount of \$88,420.00 to Grant's Mechanical for Partial Payment Request #12 for mechanical construction of Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson 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 \$10,853.33 to Flint Communications for payment request for 2007 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Inter Office:

Mr. Kilander moved to approve the individual voucher in the amount of \$113,854.00 to Inter Office for payment request for deposit on departure lounge seating.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

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 \$805.38 to TL Stroh Architects for Payment Request for architectural services in connection with the EDS Remodel, Westside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

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 \$19,760.59 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Kilander moved to approve the individual voucher in the amount of \$16,990.50 to Northern Improvement Company for payment request (full and final) for asphalt repairs in the long term parking lot and south general aviation area.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Considered Change Order E-15, Bergstrom Electric, for an Increase of \$9,318.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-15 to Bergstrom Electric as provided to the board members needs to be amended to add \$2,550.00 to the \$9,318.00 shown, for a total of \$11,868.00. He stated the neon lighting was missed on the electrical plans because neon lighting is considered signage and not included in the electrical specifications. He stated the additional \$2,550.00 is for the metal housing required for the neon lighting.

Gen. Macdonald moved to approve Change Order E-15 to Bergstrom Electric for an increase of \$11,868.00.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Considered Change Order E-16, Bergstrom Electric, for a Deduct of \$3,027.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-16 to Bergstrom Electric for a deduct of \$3,027.00 was generated because we were able to reuse some of the existing light poles.

Gen. Macdonald moved to approve Change Order E-16 to Bergstrom Electric for a deduct of \$3,027.00.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Terminal Expansion Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the window replacement project has been slowed down due to weather but they are making progress. He stated Fargo Glass has indicated they need about nine full working days to finish the project and they have been getting an average of about three days a week. He stated the caulking material they are using can still be applied in weather in the 20 degree range. He stated the administration staff has started moving into their offices and they are nearing completion of the first floor west addition.

Chairman Anderson asked if we have a Certificate of Occupancy.

Mr. Stroh stated the City will not issue an official Certificate of Occupancy until the entire project is completely done and on this particular project that will not be for another year when the north expansion is complete. He stated the City will issue a conditional letter to occupy certain spaces provided they meet certain requirements. He stated the reason they do that is once the Certificate of Occupancy is issued they do not have the ability to come back and look at the project.

Mr. Stroh stated work on the canopy is ongoing and should be completed soon. He stated we are hoping that the center staircase will be opening soon also. He stated they have started on the north addition and have all of the concrete removed and footings started.

Continued Discussion Regarding Group VI Hangar Addition (Tabled 9/25/07):

Gen. Macdonald moved to take the item off the table.

Second by Mr. Kilander.

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

Mr. Dobberstein stated that shortly after the last meeting he received a revised plan from Mr. Mark Sundet on behalf of Group VI for their hangar addition.

Gen. Macdonald moved to approve the request from Group VI for an addition to their hangar based on the plans presented today.

Second by Kilander.

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

Anderson abstained.

Absent and not voting: Clark

The motion was declared carried.

Reviewed Kitchen Equipment Replacement/Upgrade Proposal:

Mr. Dobberstein stated we have received a request from Mr. Pete Haug, The Barnstomer, for replacement of some of the kitchen equipment. He stated the Vulcan oven which was brought over from the old terminal has been on its last leg for a while. He stated another item is the Alto-Shaam oven which he uses to keep food warm while serving here and in his catering operations. He stated he recommends approval of this request.

Mr. Pawluk asked if this is equipment that is needed for the operation of the airport restaurant or for his catering operation.

Mr. Dobberstein stated it is for both.

Reviewed Kitchen Equipment Replacement/Upgrade Proposal: (Continued)

Mr. Pawluk asked how the catering operation impacts the airport restaurant operation.

Mr. Dobberstein stated the catering operation does not impact the operation of the airport restaurant other than it keeps him busy. He stated we also get three percent of the catering sales.

Mr. Kilander asked if this equipment is necessary to the operation of the restaurant and is it within the requirements of our lease to provide the equipment.

Mr. Dobberstein stated the lease does call for us to provide the equipment. He stated the heated cabinet would be a slight addition to what is already there but it gives him a little more capacity, otherwise the other equipment replaces existing equipment.

Mr. Kilander moved to approve the request for replacement of kitchen equipment as presented by the Executive Director.

Second by Gen. Macdonald.

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

Gen. Macdonald asked if there have been any problems with the restaurant and if we have been getting any comments.

Mr. Dobberstein stated we do receive comments from time to time but they are typically service or employee issues.

Mr. Kilander stated the only negatives he has heard is the lack of service and food available later at night when flights are delayed, etc.

Received Third Quarter PFC Report:

The PFC report for the third quarter of 2007 was received and filed without objection.

Airport Construction and Security Update:

Mr. Dobberstein stated the airlines and the TSA have had some headaches with the Glidepath baggage system and it seems to be with certain types of bags but they are working on that problem.

Mr. Dobberstein stated Grant's Mechanical is going to move the Curtiss Pusher airplane back to its location at a cost of \$3,800.00. He stated returning it to its location is more difficult than when we moved it to its temporary location which involved our staff and Doug Anderson from the Fargo Air Museum.

Mr. Dobberstein stated US Customs has requested that their office in the Eastside Terminal be painted and that the carpet be replaced. He stated the improvements are probably overdue and we will proceed with those.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 23, 2007, at 8:00 a.m.

Time at adjournment was 8:37 a.m.

Regular Meeting

Tuesday

October 23, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, October 23, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 9, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held October 9, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$23,790.30:

Mr. Kilander moved to approve the airport vouchers totaling \$23,790.30.  
Second by Gen. Macdonald.  
On the call of the roll, members Kilander, Macdonald, Clark voted aye.  
Absent and not voting: Pawluk, Anderson  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$4,535.00 to Sixel Consulting for payment request for annual passenger retention analysis.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Macdonald, Clark voted aye.  
Absent and not voting: Pawluk, Anderson  
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,239.75 to Sixel Consulting for payment request for Delta marketing program, DOT Small Community Air Service Grant.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk, Anderson

The motion was declared carried.

Received Change Order G-3, Contemporary Builders, for an Increase of \$2,015.00, EDS Baggage Remodel:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-3 to Contemporary Builders for an increase of \$2,015.00 for the EDS Baggage Remodel includes three items:

- Revise VCT and Vinyl base patch at Skywest station manager's office
- Re-install owner's carpet tiles behind ticket counter
- Install sheet rock over existing wall behind north conveyor

Mr. Kilander moved to approve Change Order G-3 to Contemporary Builders for an increase of \$2,015.00 for the EDS Baggage Remodel.

Second by Gen. Macdonald.

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

Absent and not voting: Pawluk, Anderson

The motion was declared carried.

Received Change Order G-18, TF Powers, for an Increase of \$3,289.00, Terminal Expansion Project:

Mr. Jeff Klein, Ulteig Engineers, Inc. was recognized and stated the first part of Change Order G-18 for an increase of \$3,471.00 involves the removal of paint and repainting on the ramp. He stated the original specifications call for the contractor to remove the paint by water blasting as it was thought that sandblasting would be a problem. He stated Darren Anderson approved for the contractor to use the sandblasting method so there were some extra costs involved (sand, sweeping, etc.)

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated there was a change in a lockset for one door for an increase of \$389.00 and then also a slight change in the reconfiguration of space under the center stairs for wheel chair storage which resulted in a deduct of \$571.00.

Mr. Kilander moved to approve Change Order G-18 to TF Powers Construction for an increase of \$3,289.00.

Second by Gen. Macdonald.

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

Absent and not voting: Pawluk, Anderson

The motion was declared carried.

Passenger Terminal Expansion Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the central stairway is now open and being used. He stated the departure lounge at Gate 5 is being used. He stated the first floor of the west addition is done and should be ready to be used soon. He stated we should see the window project done in the next few days. He stated the north addition has been hampered somewhat by weather but they are making progress.

Continued Discussion Regarding Southeast General Aviation Hangar, HVAC Options:

Mr. Dobberstein stated this item was discussed at a previous meeting and Mr. David Obermiller, Obermiller Nelson Engineering, was directed to come up with a cost estimate for installing ceiling fans to alleviate the moisture problem in the spring. He stated Mr. Obermiller was not able to attend the meeting today but he provided us with an estimate of approximately \$5,000 to install four ceiling fans. He stated Obermiller believes that this is the initial solution to the moisture problem vs. the full blown heating system and with the board's concurrence he will get two informal bids from electrical contractors.

Mr. Dobberstein stated that Mr. Jim Sweeney, Fargo Jet Center, who leases the hangar, has been provided with all of the information to date.

Gen. Macdonald stated his concern is that we will be back here a year from now and will be adding heat as well. He asked Mr. Dobberstein to confirm with Mr. Obermiller that if we do end up installing a heating system as well that the fans would be an integral part of the heating system and that we are not wasting money installing them now without any heat.

Mr. Sweeney stated in their other hangars they use the fans and the heat together.

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that installing the fans would not be a waste of money. He added that air movement helps a lot with this type of problem.

Mr. Dobberstein stated he will get back with Mr. Obermiller and he will bring proposals from two electrical contractors to a future meeting.

Received Update Regarding Adjacent Property Development:

Mr. Dobberstein stated in 2000 we engaged the services of Rose M. Hoefs, Certified General Real Estate Appraiser, to do an appraisal on 8.68 acres of land owned by Arnold Larson and located at the corner of Cass County 20 and North University Drive. He stated the appraised value was \$107,632.00 and we made an offer to purchase that property from Mr. Larson at that time and have been negotiating with him since then.

Mr. Dobberstein stated in the past few weeks the Fargo Park District and the City of Fargo have been pursuing their long range plan to put a bike trail that would intersect at the neighborhood north of County 20 and follow the river up to the new park, soccer, and football field to the north. He stated the City has since determined that the riverbank would not be able to support the bike trail and Mr. Larson did not want the trail in that area anyway. He stated they are now planning to place the

Received Update Regarding Adjacent Property Development: (Continued)

bike trail along the west side of North University Drive which would be on airport property and this parcel of Mr. Larson's property. He stated since that time Mr. Larson has agreed to sell this parcel to the Airport Authority for the price offered previously with the Airport assuming the special assessments (approximately \$20,000) and the property taxes would be deducted from the purchase price (approximately \$1,800).

Attorney Stewart stated the City of Fargo already has a signed easement from Mr. Larson but if the Airport Authority does close the transaction on the property that easement would be eliminated and the Airport Authority would grant the City of Fargo an easement for the bike trail if it should decide to do so. He stated we do not have an updated appraisal on the parcel but any increase in value would equal the amount for special assessments.

Gen. Macdonald moved to approve the purchase of the 8.68 acres from Mr. Arnold Larson for a price of \$107,632 and that the Airport Authority assumes the special assessments.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk, Anderson

The motion was declared carried.

Consider Easement for Bike Trail North of Cass County 20 and West of North University Drive:

Mr. Dobberstein stated as discussed in the previous agenda item, the Fargo Park District and the City of Fargo would like to build a bike trail along the west side of North University Drive north of County 20 which would require an easement from the Airport Authority as the land is owned by the Airport Authority. He stated we do not have a formal easement at this time but that will probably be presented at the next meeting.

Mr. Dobberstein stated this bike trail ties in with future plans the City of Fargo has to align the bike trail along the west side of North University Drive in conjunction with the improvements to North University Drive north of 32<sup>nd</sup> Avenue North. He stated the only problem we may have with this would be that it may require that our fence be moved and it is possible that we may not be able to do that due to clearance requirements for the runway. He stated another possibility may be to realign the road when it is reconstructed.

Received Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program:

Mr. Dobberstein stated the FAA's Disadvantaged Business Enterprise Program is an ongoing requirement of the Airport Authority. He stated this program deals specifically with the airport concessionaires such as car rental agencies, giftshop, restaurant, etc. He stated we have set our goals for the next three years and we will be publicly advertising this periodically in The Forum in the near future. He stated that currently the only concessionaire that meets the qualifications is Interspace Airport Advertising. He stated the business was owned by a woman and she has since

Received Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program: (Continued)

exceeded the financial qualifications but since we are under contract with the company it qualifies toward our goal until the contract expires. He stated it is very hard to find concessionaires that qualify since the process to qualify requires divulging personal financial information that many people are not willing to divulge.

Mr. Kilander moved to approve the Airport Concessions Disadvantaged Business Enterprise Program goals as presented.

Second by Gen. Macdonald.

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

Airport Construction and Security Update:

Mr. Dobberstein stated there are still a couple of final items to complete on the parking lot improvement project.

Mr. Dobberstein introduced Mr. John Hursey, new TSA Federal Security Director for North Dakota.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 13, 2007.

Time at adjournment was 836 a.m.

Regular Meeting

Tuesday

November 13, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 13, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 23, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held October 23, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$23,024.84:

Mr. Pawluk moved to approve the airport vouchers totaling \$23,024.84.  
Second by Gen. Macdonald.  
On the call of the roll, members Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Kilander, Clark  
The motion was declared carried.

Approved the Individual Voucher to Travel Agency Association of F-M:

Gen. Macdonald moved to approve the individual voucher in the amount of \$440.00 to Travel Agency Association of F-M for payment request for co-op marketing/advertising.  
Second by Mr. Pawluk.  
On the call of the roll, members Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Kilander, Clark  
The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$889,580.00 to TF Powers Construction for Partial Payment Request #13 for Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$150,480 to Grant's Mechanical for Partial Payment Request #13 for mechanical construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$110,942.90 to Bergstrom Electric for Partial Payment Request #12 for electrical construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Delta Air Lines:

Gen. Macdonald moved to approve the individual voucher in the amount of \$725,000.00 to Delta Air Lines for DOT Grant Allocation (partial DOT reimbursement).

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$485.85 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Gen. Macdonald moved to approve the individual voucher in the amount of \$15,527.00 to Contemporary Builders for Partial Payment Request #4 for general construction of the EDS Baggage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Gen. Macdonald moved to approve the individual voucher in the amount of \$21,081.00 to Contemporary Builders for Partial Payment Request #5 for general construction of the EDS Baggage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,155.50 to Modern Electric for Partial Payment Request #3 for electrical construction of EDS Baggage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,964.00 to Sixel Consulting for October passenger fees (Delta - \$1,810.00, Allegiant - \$2,154.00).

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Fargo Jet Center:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,838.46 to Fargo Jet Center for payment request for cooperative marketing share.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,389.37 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,370.20 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,041.60 to TL Stroh Architects for partial payment request for architectural services in connection with EDS Baggage Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$250.00 to Ulteig Engineers, Inc. for Partial Payment Request (Final) for engineering services in connection with the Parking Lot Improvements.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Received Change Order E-16, Bergstrom Electric, for an Increase of \$10,796.00, Terminal Expansion Project:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated Change Order E-16 is for electrical work related to data, cabling, etc. to relocate Skywest Airlines' from their Gate 3 location to Gate 4/5. This replaces exactly what they had at their previous location.

Mr. Pawluk moved to approve Change Order E-16 to Bergstrom Electric for an increase of \$10,796.00.

Second by Gen. Macdonald.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Chairman Anderson asked Mr. Mogck to double check the rates on these change orders because in his review he saw three different hourly rates.

Received Change Order E-17, Bergstrom Electric, for an Increase of \$4,324.00, Terminal Expansion Project:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated Change Order E-17 involves additional items requested (additional card reader, motion sensor light switches) and also some investigation on the electrical sub-meters in the building for the purpose of billing the tenants responsible for their own electrical usage. Total for the change order is \$4,324.00.

Received Change Order E-17, Bergstrom Electric, for an Increase of \$4,324.00, Terminal Expansion Project: (Continued)

Gen. Macdonald moved to approve Change Order E-17 to Bergstrom Electric, for an increase of \$4,324.00.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Received Change Order G-19, TF Powers Construction, for an Increase of \$402.00:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated Change Order G-19 is for the general contractor's portion of the work for the additional card reader in the Northwest Airlines ticket counter area (door hardware, etc.) The electrical portion of this work was covered in Change Order E-16.

Gen. Macdonald moved to approve Change Order G-19 to TF Powers Construction for an increase of \$402.00.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Received Change Order G-20, TF Powers Construction, for a Decrease of \$608.00:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated Change Order G-20 is for a decrease of \$680.00 as a result of using carpet on the upper portion of the section that divides the baggage carousels instead of the metallic laminate that was specified.

Gen. Macdonald moved to approve Change Order G-20 to TF Powers Construction for a decrease of \$608.00.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Passenger Terminal Project Update:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated they are finalizing the punch list for the first floor of the west addition so we should be ready to begin using that soon. He stated they are still waiting for some metal panels for the exterior of the building. He stated in the existing portion of the building on the second floor departure lounge area they are starting to replace the ceiling. He stated they plan to start on renovations to the giftshop soon. He stated on the north addition they are working on the masonry walls for the stair towers as well as the interior footings.

Receive Communication from Dakota Micro Regarding Eastside Terminal Office Lease:

Mr. Dobberstein stated Dakota Micro is a potential tenant referred to us by Tony Grindberg, NDSU Research Park. He stated the company is currently located on the farmstead of the owners near Milnor, ND, but they are looking to move closer to the NDSU Tech Park and the availability of students who are interested in internships. He stated they provide camera technology in law enforcement vehicles, agricultural equipment, etc.

Mr. Pawluk moved to approve the leasing of 1,664 +/- square feet in the Eastside Terminal (former café area) for a one year term with options, specifically stating the tenant is responsible for real estate taxes.

Second by Gen. Macdonald.

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

Considered Lease Extension for Nagle Hangar in the Southeast General Aviation Area:

Mr. Dobberstein stated last year the Airport Authority granted a one year extension to Dr. Tom Nagle's lease on the basis that the hangar would be painted before another extension would be granted and then after it was painted a five year extension would be approved. He stated it has not yet been painted but Dr. Nagle is working on that.

Mr. Dobberstein stated he would recommend granting a one year extension and if he is successful in getting the hangar painted and in a condition acceptable to the Airport Authority then he would automatically be granted a five year term.

Mr. Pawluk moved to approve the one year lease extension for Dr. Nagle with an automatic five year extension if requirements are met.

Second by Gen. Macdonald.

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

Reviewed Preliminary Plans for the NDANG/ARFF Station:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the ND National Guard Bureau is about 95% complete with their plans for the new Aircraft Rescue and Fire Fighting station and would like something on record from the Airport Authority that they approve the concept. The board members were provided with the location of the fire station and a sketch of the proposed building.

Mr. Pawluk moved to approve the concept and location of the proposed AFFF station.

Second by Gen. Macdonald.

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

Discuss One Year Extension for Airline Lease and Operating Agreements:

Mr. Dobberstein stated he would like to propose to our three signatory carriers a one year extension of their lease and operating agreements, knowing that the square footages of the various operating areas are going to continue to change as the expansion project moves forward. He stated it would be our goal that after the project is completed and we have sorted out the various operating

Discuss One Year Extension for Airline Lease and Operating Agreements: (Continued)

areas for each carrier that we would then pursue a five year agreement. He stated there are a lot of things that are still in motion and the square footages will change significantly.

Gen. Macdonald stated his concern is that there is an escalation of the rents even though that is not part of our agenda. He stated he does not want increased costs to the airlines to jeopardize our service.

Mr. Dobberstein stated he understands Gen. Macdonald's concern and one scenario we could propose is that the cost per square foot be reduced but they would pay the same amount as they did prior to the expansion project, but have access to more square footage.

Mr. Pawluk moved to approve the one year extension to the air carrier lease and operating agreements to begin January 1, 2008.

Second by Gen. Macdonald.

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

Discussed December Meeting Dates:

Meeting dates for December were discussed and it was suggested that the board would meet once in December of Tuesday, December 18, 8:00 a.m.

Chairman Anderson directed the board members to review their calendars and a decision would be made at the November 27 meeting.

Airport Security Update:

Mr. John Hursey, TSA Federal Security Director, was recognized and introduced Mr. Barry Bennett, the newly appointed Assistant Federal Security Director for Fargo. Mr. Bennett is currently with the TSA assigned to Minot and Williston.

Other Business:

Gen. Macdonald stated with the addition of another baggage claim carousel we will need to work with Interspace Airport Advertising to select another photograph to use as the wallpaper, just as in the existing baggage claim area.

Chairman Anderson appointed Gen. Macdonald and Dr. Clark to make the decision on a new photograph.

Other Business: (Continued)

Mr. Pawluk stated that when our Terminal Expansion project is done he would like to see the Airport Authority host another airline appreciation event and this time also extend the invitation to the military interests on the airport.

Mr. Pawluk stated with the discussion of the new ARFF station on the airport he would like to invite the NDANG Fire Chief to attend a future meeting and give a brief presentation on their emergency procedures.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, November 27 at 8:00 a.m.

Time at adjournment was 8:39 a.m.

Regular Meeting

Tuesday

November 27, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 27, 2007 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 13, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held November 13, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$31,528.68:

Gen. Macdonald moved to approve the airport vouchers totaling \$31,528.68.  
Second by Mr. Kilander.  
On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson 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 \$2,867.55 to Sixel Consulting for Delta Air Lines marketing (DOT Small Community Air Service Grant).  
Second by Mr. Pawluk.  
On the call of the roll, members Kilander, Pawluk, Macdonald, Anderson voted aye.  
Absent and not voting: Clark  
The motion was declared carried.

Received Change Order E-2, EDS Baggage Project, to Modern Electric for an Increase of \$852.50:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-2 to the EDS Baggage Project involves installing switches and outlets in a wall that needed the sheetrock to be replaced and also moving the stop-start controls on the baggage conveyor.

Gen. Macdonald moved to approve Change Order E-2 in the amount of \$852.50 to Modern Electric for the EDS Baggage Project.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the new departure lounge furniture has arrived. He stated as far as the west addition baggage claim area and lobby on the first floor, we will be waiting until the modifications to the stairway are complete before we start using it. He stated they are working on painting, ceilings and carpet in the existing departure lounge. He stated the north addition is coming along with most of the foundations done as well as the masonry work.

Reviewed Preliminary FAA Capital Improvement Plan for 2008:

Mr. Dobberstein stated this is the required list of proposed projects submitted to the FAA each year. He stated the Project Validation Worksheet is due in the FAA Bismarck Airports District Office by December 14. He stated they need to know if we are going to commit to having a project next year. He stated the entitlement amount they expect us to receive is \$2,263,550.

Mr. Dobberstein stated the #2 item on our list last year was the taxiway (Taxiway I) connecting the terminal ramp and the end of Runway 9/27. He stated he does not feel that is a priority for us at this time but feels the expansion of the cargo ramp is a more pressing need. He stated the estimated cost for this project is \$5.5 million and if we do receive the \$2.263 million in entitlement funds in 2008 we would also have to commit our 2009 entitlements and they have estimated that to be the same \$2.263 million amount.

Mr. Dobberstein stated the second item on our plan for this year is to reconstruct Taxiway A1. He stated the reason that is on the list is that the State Aeronautics Commission conducts regular pavement analysis for each of the airports and on the pavement condition index they received from the engineer conducting the most recent study, Taxiway A-1 was shown as being in a less than acceptable condition. He stated he does not totally agree with how they arrived at that but he feels we can keep it in an operable condition for the next three to five years. He stated there are some random cracks and stress cracking but he does not feel it is an urgent situation.

Reviewed Preliminary FAA Capital Improvement Plan for 2008: (Continued)

Mr. Dobberstein stated the reason he put phase two of the air cargo apron as the first priority project is that if another cargo operator were to decide to start operations in Fargo in the next year or two the apron would be ready for them. He stated doing the project now would enable us to phase two years' of entitlements into this project and then we would not have to bond for the project at some time in the future. He stated he has been working with ABX Air (Airborne Express), who is still operating the aircraft for the DHL operation, and they have expressed concerns about the need for expansion just for their operation in order to improve their safety, and that would be enough justification for the FAA to approve the project.

Mr. Dobberstein stated that Mr. Jim Sweeney, Fargo Jet Center, has also expressed an interest in seeing some type of hangar be constructed to be used as a freight sorting facility in order to consolidate the freight operations in one area, rather than some on the south ramp and some in their existing facilities. Mr. Dobberstein stated that would also help control things from a security standpoint.

Mr. Dobberstein stated with the board's concurrence today we will convey in writing to the FAA Bismarck Airports District Office that our priority project for 2008 will be the expansion of the air cargo ramp. He stated once they approve that it will move on to the next level for approval. He stated we will need to have this project under grant by May 1, 2008. He stated with the board's authorization we would direct Ulteig Engineers, who is still under contract, to design the project so that we are ready to accept bids by May.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the preliminary design for the ramp expansion was done last year based on interest expressed by another air cargo operator. He stated the surveying and pavement design is done. He also stressed the importance of having everything ready for the project to meet the FAA's deadlines.

Mr. Pawluk moved to approve the overall development objective of the 2008 Capital Improvement Plan with the cargo apron expansion project as the priority.

Second by Gen. Macdonald.

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

Gen. Macdonald moved to authorize Ulteig Engineers to proceed with the design process of the project, prepare plans and specifications and bring the proposed contract for engineering services before the board for approval.

Second by Mr. Kilander.

Mr. Kilander asked if we still have an existing contract with Ulteig Engineers.

Mr. Dobberstein stated the Airport Authority went through the engineering selection process and selected Ulteig Engineers for a five year period which allows them to design projects through 2008.

Chairman Anderson called for a vote on the motion.

Kilander and Macdonald voted aye.

Anderson and Pawluk voted no.

Absent and not voting: Clark

The motion failed.

Mr. Pawluk moved the Airport Authority direct Ulteig Engineers to bring to the board a proposed contract for this project.

Motion died for lack of a second.

Reviewed Preliminary FAA Capital Improvement Plan for 2008: (Continued)

Mr. Synhorst stated they have already been paid for the preliminary design work which they were directed to do last year due to the interest shown by a cargo carrier. He stated they will submit a contract for approval at the next meeting for this project.

Chairman Anderson stated that since Ulteig Engineers is our selected engineer it is not necessary to have a motion directing them to bring a proposed contract before the board.

Discussed December Meeting Date:

The date for the only meeting in December will be Tuesday, December 18, 8:00 a.m.

Airport Security Update:

Mr. Darren Anderson indicated there was nothing to report.

Mr. Jon Holman, TSA, gave a brief report on the United Airlines flight from Washington Dulles to San Diego, which made an emergency stop in Fargo to remove an unruly passenger.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, December 18, 2007 at 8:00 a.m.

Time at adjournment was 8:52 a.m.

Regular Meeting

Tuesday

December 18, 2007

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, December 18, 2007, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Clark, Pawluk, Macdonald, Anderson

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 27, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held November 27, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$75,302.72:

Mr. Kilander moved to approve the airport vouchers in the amount of \$75,302.72.

Second by Gen. Macdonald.

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

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

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,063.75 to Midwest Testing for testing services in connection with the Terminal Expansion Project, North Addition, Project AIP33.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,010.00 to Sixel Consulting for payment request for quarterly airline passenger report.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,216.21 to Sixel Consulting for payment request for reimbursement of expenses for air service meeting.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$5,850.00 to Sixel Consulting for November passenger boarding fees (Delta \$1,588.00, Allegiant \$2,988.00 (final payment for Las Vegas service), Allegiant/Mesa \$1,274.00).

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Allegiant Air:

Gen. Macdonald moved to approve the individual voucher in the amount of \$25,000.00 to Allegiant Air for reimbursement for co-op marketing for Phoenix-Mesa service.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to Inter-Office:

Gen. Macdonald moved to approve the individual voucher in the amount of \$132,312.57 to Inter-Office for Payment Request #2 for departure lounge furniture, Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$488.00 to TL Stroh Architects for payment request for architectural services in connection with the EDS Baggage Project, Westside Terminal.

Second by Dr. Clark.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,325.28 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, North Addition, AIP33.

Second by Dr. Clark.

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

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$6,806.52 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,186.84 to Flint Communications for partial payment request for 2007 airport marketing program.

Second by Dr. Clark.

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

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$165,680.00 to TF Powers Construction for Partial Payment Request No. 14 for general construction of Terminal Expansion Project, North Addition, AIP33.

Second by Dr. Clark.

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

Approved the Individual Voucher to TF Powers Construction:

Gen. Macdonald moved to approve the individual voucher in the amount of \$113,620.00 to TF Powers Construction for Partial Payment Request No. 14 for general construction of the Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$33,210.00 to Grant's Mechanical for Partial Payment Request #14, for mechanical construction of the Terminal Expansion Project, APFC07.

Second by Dr. Clark.

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

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$18,542.09 to Bergstrom Electric for Partial Payment Request #13 for electrical construction of the Terminal Expansion Project, AIP33.

Second by Dr. Clark.

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

Approved the Individual Voucher to Modern Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,171.50 to Modern Electric for Partial Payment Request #4 for electrical construction, EDS Baggage Project, Westside Terminal, APFC07.

Second by Dr. Clark.

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

Approved the Individual Voucher to Grant's Mechanical:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,360.00 to Grant's Mechanical for payment request (full and final) to relocate the aircraft display in the Westside Terminal due to the construction, Project APFC07.

Second by Dr. Clark.

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

Received Change Order E-18, Bergstrom Electric, for an Increase of \$4,456.00:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order E-18 consists of the following items:

- receptacle for heater truck east end
- two clocks in TSA area
- provide one card reader at one new door
- new vending room/game layout electrical requirements
- credit for receptacle that did not need to be relocated

Mr. Pawluk moved to approve Change Order E-18 to Bergstrom Electric for an increase of \$4,456.00.

Second by Mr. Kilander.

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

Received Change Order E-19, Bergstrom Electric, for an Increase of \$26,388.00:

Mr. Dobberstein stated some of these costs will be recovered through our lease with the GSA for the TSA space.

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated the costs in this change order are associated with the modifications required by the TSA for their fit-up space.

Mr. Kilander moved to approve Change Order E-19 to Bergstrom Electric for an increase of \$26,388.00.

Second by Dr. Clark.

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

Received Change Order E-3, Modern Electric, for an Increase of \$2,319.00:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated that Change Order E-3 to the EDS Baggage Project was for some additional electrical work required in the areas where the tunnels for the baggage conveyors come out. He stated this involved relocating some power and data conduit which was not shown on the original drawings.

Dr. Clark moved to approve Change Order E-3 to Modern Electric for an increase of \$2,319.00.

Second by Mr. Kilander.

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

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

Received Change Order G-4, Contemporary Builders, for an Increase of \$904.00:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated Change Order G-4 to Contemporary Builders for an increase of \$904.00 was to install carpet in the Skywest Airlines office after the former baggage conveyor was removed.

Mr. Pawluk moved to approve Change Order G-4 to Contemporary Builders for an increase of \$904.00.

Second by Mr. Kilander.

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

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

Received Change Order M-7, Grant's Mechanical, for an Increase of \$13,436.00:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order M-7 is for the replacement of two existing heat pumps which initially we did not think would need to be replaced but after getting further into the project it was determined they needed to be replaced. He stated a third heat pump was missed on the mechanical drawings.

Gen. Macdonald moved to approve Change Order M-7 to Grant's Mechanical for an increase of \$13,436.00.

Second by Dr. Clark.

On the call of the roll, Macdonald voted aye.

Kilander, Pawluk, Clark, Anderson voted no.

The motion failed.

Chairman Anderson directed Mr. Diers to bring to the next meeting the information to support this change order request.

Received Change Order M-8, Grant's Mechanical, for an Increase of \$4,686.00:

Change Order M-8 to Grant's Mechanical for an increase of \$4,686.00 is for the mechanical modifications for the GSA/TSA fit-up space.

Gen. Macdonald moved to approve Change Order M-8 for an increase of \$4,686.00.

Second by Mr. Kilander.

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

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

Received Change Order G-21, TF Powers Construction, for an Increase of \$5,280.00:

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated Change Order G-21, includes two sets of folding doors for the Boardroom, providing one electrical strike at a door, construct access panels to provide access to heat pumps for service, for a total of \$5,280.00.

Mr. Pawluk moved to approve Change Order G-21 for an increase of \$5,280.00.

Second by Mr. Kilander.

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

Macdonald voted no.

The motion was declared carried.

Received Change Order G-22, TF Powers Construction, for an Increase of \$1,932.00:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order G-22 was for modifications requested by the TSA for their fit-up space.

Gen. Macdonald moved to approve Change Order G-22 to TF Powers Construction for an increase of \$1,932.00.

Second by Dr. Clark.

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

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

Received Change Order G-23, TF Powers Construction, for an Increase of \$31,511.00:

Chairman Anderson stated Change Order G-23 is for the modifications to the giftshop space.

Mr. Pawluk stated he has a problem with spending \$12,000 on a wood floor for the giftshop, especially if it is the same as the floor in the restaurant. He stated the wood floor in the restaurant always looks bad and he can't imagine we would want to put the same thing in the giftshop.

Mr. Dobberstein stated they are attempting to somewhat match the look of the restaurant. He stated he does not think the floor in the restaurant has been properly maintained and does not think we should see the same problem in the giftshop.

Received Change Order G-23, TF Powers Construction, for an Increase of \$31,511.00: (Continued)

Mr. Kilander moved to approve Change Order G-23 to TF Powers Construction for an increase of \$31,633.00.

Second by Dr. Clark.

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

Pawluk, Anderson voted no.

The motion was declared carried.

Received Change Order E-21, Bergstrom Electric, for an Increase of \$1,304.00:

Mr. Kilander moved to approve Change Order E-21 to Bergstrom Electric for an increase of \$1,304.00 for electrical modifications to the giftshop.

Second by Dr. Clark.

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

Pawluk, Anderson voted no.

The motion was declared carried.

Passenger Terminal Construction Update:

Mr. Joe Jenni, TL Stroh Architects, was recognized and gave a brief update on the terminal construction project. He stated they are actively working on the north addition and the footings and foundations are now complete. He stated the electricians are working on interior lights in the ticket counter area. He stated they have discussed in construction meetings the upcoming demolition in the center passenger screening area. He stated we are waiting until the west stairway is done before opening the west baggage claim area.

Mr. Kilander asked what the plan for the walkway between the parking lot and the building is and if modifications are planned so that the walkway lines up with the new west entrance.

Mr. Jenni was directed to look into that and report at the next meeting.

Flint Communications Presented the 2008 Marketing Plan:

Tara Bangsund and Kim Matter, Flint Communications, were recognized and reviewed the proposed 2008 marketing plan. This is the third year of the television commercials that were produced so toward the end of the year we will start to look at new commercials starting in 2009.

Mr. Dobberstein stated our 2008 marketing budget is up only slightly from 2007.

After further discussion, Dr. Clark moved to approve the 2008 marketing plan as proposed by Flint Communications.

Second by Mr. Kilander.

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

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

Received Communication from ABX Air and Fargo Jet Center Regarding Cargo Apron Project:

Mr. Dobberstein stated at the last meeting we approved our FAA Capital Improvement Plan for 2008 which showed the expansion of the air cargo ramp as the priority project. He stated we received communications from Fargo Jet Center and ABX Air outlining their needs for additional space on the air cargo ramp and these communications were included in our submission to the FAA Airports District Office as justification for the project. He stated ABX Air's request is immediate for their current operation and the request from Fargo Jet Center expresses the need for a consolidation of freight operations.

The communication from Fargo Jet Center dated December 5, 2007 and from ABX Air dated November 29, 2007 were received and filed without objection.

Reviewed Proposed Contract with Ulteig Engineers for Proposed 2008 Airfield Construction Project:

Mr. Dobberstein stated we have received a proposed contract from Ulteig Engineers for the air cargo ramp expansion project. He stated Mr. Mark Bittner, City Engineer, has conducted an independent review of the proposed contract and his review was favorable and it was his opinion that the proposed cost was below his estimated cost. Mr. Dobberstein stated the board's approval today would be subject to final approval by our legal counsel.

Mr. Dobberstein presented a map showing the amount of ramp expansion that could be funded with the 2008 entitlements. He stated the map also shows the additional ramp area which will be designed under this contract with the plan to construct that with 2009 entitlements if we are successful in committing those funds and having a two year project. He stated this proposed contract includes construction administration for only the 2008 portion. He stated we need to be in a position where we have the design work for the 2009 project ready to go when funds become available.

Mr. Kilander moved to approve the proposed contract with Ulteig Engineers for proposed 2008 airfield construction project, subject to final approval by legal counsel.

Second by Mr. Pawluk.

Chairman Anderson stated he had a long discussion with Mr. Mark Bittner regarding engineering contracts and he was quite helpful in helping him understand how engineering contracts work in federal projects and the various guidelines. He stated he was quite comfortable after that discussion.

Chairman Anderson called for a vote on the motion.

Members Kilander, Clark, Pawluk, Macdonald, Anderson voted aye.

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

Chairman Anderson stated there was some discussion at our last meeting about Taxiway A and the engineering report from the ND Aeronautics Commission indicating the pavement was in less than acceptable condition. He stated in his mind this puts up a red flag for us and he would like the board to take action to direct Ulteig Engineers to conduct an engineering evaluation of the pavement.

Reviewed Proposed Contract with Ulteig Engineers for Proposed 2008 Airfield Construction Project:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the pavement analysis conducted by the engineering firm hired by the Aeronautics Commission bases their report for an entire pavement section on the test results from just one area of the section. He further explained that for example, out of 100 subsections they may actually test only 10 subsections and if even one of those subsections is faulty they will apply that rating to the entire section. He stated after we received the report in 2006 Ulteig Engineers did go out and visually survey the area and take pictures of the pavement itself and it did not appear as bad as the report indicated.

Gen. Macdonald stated if it is determined that the taxiway is in less than acceptable condition we can always choose to close it. He stated it is not vital to the operation of the airport that portion of the taxiway be open.

Mr. Pawluk stated he would like the board to direct Ulteig Engineers conduct their own study and give us their evaluation and if a remedial correction is required by us then that should be suggested. He stated we need to know for sure if the matter needs to be addressed or if it is not necessary.

Mr. Kilander agreed and that we should then forward the results to the ND Aeronautics Commission with any information that may dispute the previous report.

Chairman Anderson asked that the record reflect this item was discussed and asked Mr. Klein if he has any questions as to what we want.

Mr. Klein indicated he had no questions.

Received Communication from Northstar Aviation Insurance Regarding 2008 Liability Insurance Renewal:

The communication from Northstar Aviation Insurance dated December 14, 2007, was received and filed without objection.

Mr. Dobberstein stated Mr. Marc Lepage has indicated that he is recommending remaining with our current airport liability carrier, AIG Aviation, and the annual premium for 2008 will be \$55,675, which is a reduction of \$21,245 from 2007. He stated he did get one other quote from Phoenix of \$62,500.

Mr. Pawluk moved to award the 2008 airport liability insurance renewal to AIG Aviation.

Second by Mr. Kilander.

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

Authorized Attendance at the 80<sup>th</sup> Annual AAE Conference, New Orleans, June 8-11, 2008:

Mr. Pawluk moved to authorize attendance by board members and staff at the 80<sup>th</sup> Annual AAE Conference, New Orleans, June 8-11, 2008.

Second by Mr. Kilander.

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

Received Notice from General Services Administration to Extend TSA Lease through 1/31/08:

The communication from Mr. Darrin Hotaling, GSA dated December 10, 2007, was received and filed without objection.

Mr. Dobberstein stated the TSA is requesting to extend the lease for their existing space until January 31, 2008. He stated they will be moving into their new space sometime in January.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, January 8, 2008 at 8:00 a.m.

Time at adjournment will be 9:04 a.m.