
Regular Meeting

Tuesday

January 8, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 8, 2008, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Anderson presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 18, 2007:

The minutes of the regular meeting of the Municipal Airport Authority held December 18, 2007, were approved without objection.

Approved the Airport Vouchers Totaling \$104,921.58:

Mr. Kilander moved to approve the airport vouchers totaling \$104,921.58.
Second by Mr. Pawluk.
On the call of the roll, members Kilander, Pawluk, Anderson voted aye.
Absent and not voting: Clark, Macdonald
The motion was declared carried.

Approved the Individual Voucher to Travel Agents Association of F-M:

Mr. Pawluk moved to approve the individual voucher in the amount of \$792.00 to Travel Agents Association of F-M for co-op marketing.
Second by Mr. Kilander.
On the call of the roll, members Kilander, Pawluk, Anderson voted aye.
Absent and not voting: Clark, Macdonald
The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,037.85 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, Project AIP33.

Second by Mr. Kilander.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Mr. Pawluk moved to approve the individual voucher in the amount of \$21,193.00 to Contemporary Builders for Partial Payment Request No. 6 for general construction of the EDS Baggage Project, Westside Terminal, Project APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$13,473.24 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, Anderson voted aye.

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$91,865.00 to TF Powers Construction for Partial Payment Request #15 for general construction of Terminal Expansion Project.

Second by Mr. Kilander.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$18,239.99 to Bergstrom Electric for Partial Payment Request #14 for electrical construction of Terminal Expansion Project.

Second by Mr. Kilander.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$12,386.24 to TL Stroh Architects for payment request for architectural services in connection with the terminal expansion project (APFC07 - \$8,766.88, AIP33 - \$3,619.36).

Second by Mr. Kilander.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Continued Discussion Regarding Change Order M-7 to Grant's Mechanical for an Increase of \$13,436.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order M-7 for an increase of \$13,436.00 is for the replacement of some heat pumps. He stated when we started this project we knew we were dealing with a mechanical system that was 20 years old and most of the heat pumps were original. He stated since we were putting in a new mechanical system we planned to replace the pumps that needed to be replaced. He stated the original plans for the building did not show the bay on the east side of the building in which these heat pumps are located so we did not know they were there. He stated once they started getting into things in the airline ticket counter area they were discovered and it was determined that they should be replaced.

Mr. Kilander moved to approve Change Order M-7 to Grant's Mechanical for an increase of \$13,436.00.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the passenger terminal project. He stated there has been some delay in the completion of the ceiling in the new west departure lounge. He stated on the north expansion portion of the project they have started erecting some of the steel. He stated they are still waiting for shop drawings before beginning in the giftshop. He stated they are working on the modifications to the existing west stairs.

Mr. Stroh stated at the next meeting he will provide the board with a summary of the change orders to date as well as a report on the construction and administration costs to date.

Received Request from Ulteig Engineers Associated with Taxiway A1 Report:

Mr. Dobberstein stated Ulteig Engineers has prepared a contract to conduct an evaluation of the pavement in Taxiway A-1 at a cost of \$2,400.00. He stated the evaluation will actually include Taxiway A, A-1 and A-3.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the pavement condition report the ND Aeronautics Commission conducted in 2006 gave A-1 a "very poor" rating and Taxiway A got a "poor" rating. He stated the same study was conducted in 1998 and those same pavements received ratings of "good." He stated they feel there is a discrepancy in this recent report for the rating to go from "good" to "very poor" in a short period of five years. Mr. Klein stated they will conduct their own evaluation, compare it with both the 1998 and 2006 findings, and come back to the board with a detailed report. Mr. Klein stated there are some areas of the pavement with some cracking and spalling, but not to the extent portrayed by this report.

Mr. Dobberstein stated he does not feel the condition of the pavement is as critical as this report indicates and he feels we will be able to use the pavement for the next five years or more without doing anything to it. He stated the evaluation was based on one small area of the taxiway.

Mr. Kilander moved to approve the contract with Ulteig Engineers to conduct a pavement condition study as presented.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Anderson

Absent and not voting: Clark, Macdonald.

The motion was declared carried.

Considered Request from ND Aviation Council to Sponsor 2008 Upper Midwest Aviation Event:

The communication from Rod Brekken, Chairman of the 2008 Site Committee for the ND Aviation Council was received and filed without objection.

Mr. Dobberstein stated the Airport Authority has always participated in sponsorship of the Upper Midwest Aviation Symposium when it has been held in Fargo. He stated their request this year is \$5,000, which is a larger amount than we have given in the past. He stated our budget can handle this amount.

Considered Request from ND Aviation Council to Sponsor 2008 Upper Midwest Aviation Event:
(Continued)

Mr. Kilander moved to approve the request from the ND Aviation Council to sponsor the 2008 Upper Midwest Aviation Symposium in the amount of \$5,000.

Chairman Anderson relinquished the chair to Mr. Pawluk.

Mr. Anderson seconded the motion.

Mr. Pawluk returned the chair to Mr. Anderson.

Mr. Pawluk stated he supports general aviation and usually participates in the conference and is not saying anything bad about anyone, but he does not feel it is an appropriate use of public funds to sponsor this event to that degree.

Mr. Kilander stated he feels it shows our support for general aviation, it gives us a chance to showcase what we are doing at the airport in Fargo, and he feels it is a good public relations tool.

Chairman Anderson asked Mr. Darren Anderson to explain what the money would be used for.

Mr. Darren Anderson stated the money would go toward the costs to put on the symposium. He stated this is an annual event in the state that is rotated among Fargo, Grand Forks, Bismarck and Minot. He stated the attendance is usually about 250 and we also put on an educational event involving about 200 sixth graders.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated they money will help to underwrite the overall costs, including the educational sessions, bringing in speakers, etc. He stated there will also be other events at the airport and give us an opportunity to showcase the airport. He stated the aviation community in the state is fortunate to have this as an annual event.

Chairman Anderson called for a vote on the motion.

Kilander and Anderson voted aye.

Pawluk voted no.

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Received Disadvantaged Business Enterprise (DBE) Goals for 2008 FAA Assisted Projects:

Mr. Pawluk moved to receive and file the FY 2008 DBE Goal Update prepared by the ND Aeronautics Commission and to approve the overall goal of 7.38%.

Second by Mr. Kilander.

Mr. Dobberstein stated this procedure notifies the FAA that when we bid our improvement project for this year (Cargo Apron Expansion) we will advertise this goal of 7.38%.

Chairman Anderson called for a vote on the motion.

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

Airport Security Update:

There were no matters to discuss.

Other Business:

Mr. Dobberstein introduced Mr. Kash Lund who will be our airport intern this year. Mr. Lund is a native of Williston and a graduate of UND. He stated he will spend a lot of time with Darren Anderson as well as the airfield staff over the next several months and will get a good solid base in airport operations which will help him in moving forward in the next step of his airport career. He stated the ND Aeronautics Commission sponsors this internship program and pays 50% of his salary up to \$3,000.

Mr. Dobberstein stated Allegiant Air announced two additional days of service to Phoenix-Mesa for the month of March so they will be flying Sunday, Tuesday, Thursday and Saturday. He stated out of a possible 1,190 seats to Phoenix in December they sold 1,136 seats so they are doing well with the Phoenix service and continue to do well with the Las Vegas service.

Mr. Dobberstein stated boardings in 2007 were down slightly over 2006 (2.4%) but it was still our second busiest year on record. He stated total boardings for 2007 were 297,964 compared with 305,218 in 2006 but we were anticipating that decrease due to the elimination of the Northwest Airlines direct flight to Las Vegas.

Mr. Dobberstein stated Fargo Jet Center is in the process of a major renovation project.

Mr. Dobberstein stated we have been working with the Forestry Department on a tree project in our shelterbelt. He stated they received three informal bids and a contract was awarded to Carr's Tree Service based on their low bid of \$14,300.00. He stated they will be doing some spot spruce removal, flush cut the dogwood and chokecherry trees and try a regeneration of those because of the disease the choke cherry trees have. He stated the Forestry Department has been working with NDSU on that matter.

The meeting of the Municipal Airport Authority was adjourned until the Annual Meeting to be held Tuesday, January 22, 2008 at 8:00 a.m.

Time at adjournment was 8:44 a.m.

Annual Meeting

Tuesday

January 22, 2008

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 22, 2008 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: Tjon

Vice Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held January 8, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held January 8, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$32,005.49:

Gen. Macdonald moved to approve the airport vouchers totaling \$32,005.49.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,204.00 to Sixel Consulting for payment request for December passenger enplanement fees (Allegiant - \$2,272.00 and Delta - \$1,932.00).

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order E-22, Bergstrom Electric, for an Increase of \$508.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order E-22 is to add disconnects for the neon lighting in the departure lounge which makes maintenance on the lights easier.

Mr. Pawluk moved to approve Change Order E-22 for an increase of \$508.00.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order E-23, Bergstrom Electric, for an Increase of \$774.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order E-23 involves moving a baggage claim sign under the exterior canopy from the former west entrance to the new west entrance and also the relocation of a security camera.

Mr. Pawluk moved to approve Change Order E-23 for an increase of \$774.00

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order G-24, TF Powers Construction, for a Deduct of \$2,060.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-24 for a deduct of \$2,060.00 was a result of the elimination of the video game room as it was decided to keep the video games in the same location as previously and to open up the area near the elevator to the baggage claim area.

Mr. Pawluk moved to approve Change Order G-24 for a deduct of \$2,060.00

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that with the change orders approved today we have used approximately \$249,000 of the \$600,000 contingency and anticipates that we will use at the most 50% of the contingency amount since most of what we are doing now is new construction.

Passenger Terminal Project Update: (Continued)

Mr. Stroh stated the cold weather has slowed progress on the north addition. He stated they are starting to set steel and pre-cast concrete for the first floor. He stated the mechanical and electrical contractors are not able to do a lot until the north addition is enclosed. He stated next week they will get started on the new Enterprise location as well as renovation of the existing car rental counters.

Received Report from Ulteig Engineers, Inc. on Proposed Sidewalk/West Entrance:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated they were directed to put together a proposal for a new sidewalk from the short term parking lot to align with the new west entrance in the terminal building. He stated he prepared a sketch of one proposal which installs a new sidewalk west of the existing sidewalk and lining up with the new west entrance. He stated the drawback to this option is that we would lose two to three parking spaces and one tree. He stated another option Mr. Stroh recommended was to keep the existing sidewalk and add a connection which would align with the new west entrance, which would save the three parking spaces and the tree.

Gen. Macdonald stated he feels this decision can be delayed since we cannot do anything until spring anyway. He stated he prefers the design proposed by Ulteig and thinks the old sidewalk should be removed as he does not see any sense in having a sidewalk that leads nowhere. He stated we should gain at least one parking spot by removing the old sidewalk.

Mr. Kilander moved to delay a decision on the sidewalk proposal until the first meeting in April.

Second by Mr. Pawluk.

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

Mr. Pawluk stated once the old entrance is closed and the new one is in use we will know which option will be best. He added that we need to look at the long term walkways as well.

Received 4th Quarter 2007 PFC Report:

Mr. Dobberstein distributed the PFC report for the 4th quarter of 2007.

The report was received and filed without objection.

Received Communication from Enterprise Rent-a-Car Requesting a Lease Extension:

Mr. Dobberstein stated we received a communication dated January 4, 2008, from Julia McGrath, Enterprise Rent-a-Car, requesting a lease extension to December 31, 2008 when it expires on March 19, 2008.

The communication was received and filed without objection.

Mr. Jason Eby, Enterprise, was recognized and stated they are requesting this lease extension to coincide with the other car rental agencies at the airport.

Attorney Stacy Tjon confirmed that she and Attorney Stewart have reviewed this and everything is in order.

Received Communication from Enterprise Rent-a-Car Requesting a Lease Extension: (Continued)

Mr. Kilander moved to approve the request from Enterprise Rent-A-Car to extend their current lease through December 31, 2008.

Second by Mr. Pawluk.

Mr. Dobberstein stated they will be back before us probably in February regarding their plans to construct a service facility in the northeast corner of the current soccer field.

Mr. Eby stated the project has been moving a little slower than they had planned and it is stuck at the corporate level.

Vice Chairman Clark called for a vote on the motion.

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

Airport Security Update:

Mr. Dobberstein stated the GSA lease for the TSA office space in the Westside Terminal has been completed and we should be receiving that soon. He stated they will be leasing a total of 1,171 square feet for approximately \$2,300 per month. He stated it will be a ten year lease with five years firm with an escalator throughout the lease. He stated the total cost for tenant improvements was \$94,836.00 and they will either write us a check for that amount or amortize the amount over five years, they have not yet decided. He stated a majority of that amount is associated with the communication cabling.

Elected Chairman of the Municipal Airport Authority for Calendar Year 2008, as Per Bylaws:

Mr. Pawluk moved to elect Dr. Virginia Clark as Chairman of the Municipal Airport Authority for the calendar year 2008, as per bylaws.

Second by Gen. Macdonald.

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

Elected Vice Chairman of the Municipal Airport Authority for Calendar Year 2008, as Per Bylaws:

Mr. Pawluk moved to elect Mr. Don Kilander as Vice Chairman of the Municipal Airport Authority for the calendar year 2008, as per bylaws.

Second by Gen. Macdonald.

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

Adopted Resolution of Appreciation to Outgoing Chairman Robert W. Anderson:

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

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

WHEREAS, During the year of Mr. Anderson's chairmanship, the Municipal Airport Authority and Hector International Airport have moved steadily and successfully forward, completing improvement projects, undergoing a major terminal building expansion, and continuing to improve service to the passengers of Hector International Airport, and

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

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

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

Second by Mr. Kilander.

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

Mr. Kilander moved the meeting be adjourned so that the Airport Authority members may meet in executive session to discuss airport security matters, per Sec. 44-04-24 and 44-04-26 of the North Dakota Century Code. Time at adjournment was 8:25 a.m.

The Municipal Airport Authority reconvened and returned to regular session at 8:41 a.m.

Other Business:

Mr. Dobberstein stated the dishwasher in the restaurant needs to be replaced and we have received a proposal of \$7,995 from Dakota Food Equipment to replace the existing unit with a new Hobart dishwasher.

The Annual Meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 12, 2008 at 8:00 a.m.

Time at adjournment was 8:47 a.m.

Regular Meeting

Tuesday

February 12, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, February 12, 2008 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

Chairman Clark presiding.

Approved the Minutes of the Annual Meeting of the Municipal Airport Authority Held January 22, 2008:

The minutes of the Annual Meeting of the Municipal Airport Authority held January 22, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$21,122.49:

Mr. Pawluk moved to approve the airport vouchers totaling \$21,122.49.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,342.45 to Midwest Testing for payment request for testing services on connection with the Terminal Expansion Project, North Addition, Project AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Travel Agent Association of F-M:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,144.00 to the Travel Agent Association of F-M for co-op marketing.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$5,669.98 to Flint Communications for payment request for 2008 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$4,052.00 to Sixel Consulting for January passenger enplanement fees (Delta - \$1,448.00, Allegiant - \$2,604.00).

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,528.19 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Project, AIP34.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$771.75 to TL Stroh Architects for payment request for architectural services in connection with the EDS Baggage Project, APFC07.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$4,702.70 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, North Addition, AIP33.

Second by Mr. Pawluk.

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 \$2,006.05 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, 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 \$120,840.00 to TF Powers Construction for Partial Payment Request #16 for general construction of Terminal Expansion Project, APFC (\$23,940.00) and AIP33 (\$96,900.00).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$14,670.00 to Grant's Mechanical for Partial Payment Request #15 for mechanical construction of the Terminal Expansion Project, APFC (\$8,190.00) and AIP33 (\$6,480.00).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$36,631.99 to Bergstrom Electric for Partial Payment Request #16 for electrical construction of the Terminal Expansion Project, APFC07.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 airport traffic quarterly report – 3rd Quarter 2007.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order M-9, Grant's Mechanical, for an Increase of \$3,801.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order M-9 is to add floor drains in the lower level tug concourse area in the north addition which were forgotten in the original drawings. The increase for that item is \$5,392.00. He stated the second part of the change order is a credit of \$1,591.00 for the deletion of a fresh air duct.

Gen. Macdonald moved to approve Change Order M-9 for an increase of \$3,801.00 to Grant's Mechanical.

Second by Mr. Pawluk.

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

Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed the terminal project. He stated the cold weather and wind has slowed progress on the north addition and the mechanical and electrical contractors will not be able to do a lot until the structure is enclosed. He stated they are continuing on other areas of the terminal (giftshop, car rental counters, etc.)

Received Preliminary 2007 Airport Improvement Account Statement:

Mr. Dobberstein distributed the preliminary 2007 Airport Improvement Account Statement. He stated these are preliminary as the audit will not take place until later this spring.

Mr. Dobberstein stated the statement for the Operations & Maintenance Fund will not be complete until probably March as we have been advised by the Auditor's Office that it will be another month until we get all of the figures we need.

Mr. Kilander moved to receive and file the preliminary 2007 Airport Improvement Account Statement.

Second by Gen. Macdonald.

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

Discussed Airline Lease and Operating Agreement Renewal Process:

Mr. Dobberstein stated the Airport Authority recently extended the lease and operating agreements with the airlines for one year through December 31, 2008. He stated the reason we did that is due to the construction project which is ongoing and the leased operating areas are changing. He stated once all of the operating areas of the terminal are complete, which should be sometime in July, we will take a fresh look in terms of the lease values, rates and charges. He stated the FAA is currently looking at some new legislation with regard to rates and charges assessed to carriers such as Allegiant which do not have as many flights per week as other carriers.

Mr. Dobberstein stated he would like to retain the services of a consultant on a time and material, not to exceed basis, to put together some options and ideas for us to present to the carriers. He stated it has been our goal to not increase the costs to the carriers. He stated rather than to try to fully recover expansion costs from the airlines he suggests that we spread the revenue we receive from the parking lot and car rental agencies, which is the majority of our revenue anyway. He stated it would be our goal that we even lower the costs to the airlines.

Mr. Dobberstein stated Mr. John DeCoster, who recently retired from Northwest Airlines, is now working for a company called Trillion Aviation and he brings a wealth of experience dealing with airline lease agreements and will add further insight. He stated we do not have to adopt his recommendations but he could give us an unbiased observation of what is fair in terms of cost. He stated we will still rely on our own legal counsel to be involved in the process.

Mr. Pawluk stated he knows we have worked with Mr. DeCoster when he was with Northwest Airlines and agrees that he is a talented individual. However, he stated his concern is that he would continue to represent the airlines to his clients the airports rather than the other way around.

Discussed Airline Lease and Operating Agreement Renewal Process: (Continued)

Mr. Dobberstein stated Mr. DeCoster was just retained by the Metropolitan Airports Commission for their negotiations with Northwest Airlines, so that is how much respect they have for him. He stated he feels Mr. DeCoster has the credibility to represent our interests.

Gen. Macdonald stated he thinks one of the things that opened his eyes to the fact that we have to do something is seeing that Allegiant's cost per passenger is higher than the other airlines and that does not seem fair.

Mr. Dobberstein stated our rate structure has been the same since we moved into the terminal in 1986 and even prior, and that is 20 percent based on equal charges and 80% based on passengers. He stated at a recent Allegiant Air conference they gave Fargo and Billings as examples of airports where the costs are not great but because of the economies of scale the airport costs per passenger go down when passenger counts increase. He stated that is one of the reasons we got Phoenix service and more Las Vegas over other cities. He stated probably about 80% of the airports have similar rate structures, however he feels ours is a hybrid. He stated we are unique in that we allocate our other airport revenues (car rentals, parking lot, etc.) to spread the cost of running the entire airport. He stated that we were also one of the few airports that lowered terminal rent prior to 9-11 so the airlines have no issues with us.

Mr. Pawluk stated one thing he hopes we would gain from Mr. DeCoster's expertise is to look at ways we can lower the cost per passenger rather than us just eating those costs.

Mr. Dobberstein stated another consideration is that Mr. DeCoster is actively involved in the Northwest-Delta merger. He stated Continental and United are not that far behind. He stated right now there are six legacy carriers and by the end of the year there could be three. His expertise would help us to prepare for the future.

Gen. Macdonald moved the Executive Director be instructed to enter into conversations with Mr. John DeCoster and bring before the board a proposal as to how he could aid us in determining fair and equitable fares and charges to the airlines that serve Fargo.

Second by Mr. Pawluk.

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

Received Proposals to Install Fans in Hangar #3:

Mr. Dobberstein stated that some months ago Fargo Jet Center brought to our attention a moisture problem they have had in Hangar #3 in the spring when temperatures warm up. He stated Hangar #3 is the non-heated hangar in the south general aviation area. He stated the board retained the services of Obermiller Nelson Engineering to review the matter and they were authorized to obtain three informal quotes from electricians for the installation of fans. They received the following bids:

Modern Electric	\$4,887.00
Bergstrom Electric	\$4,100.00
Magnum Electric	\$3,963.00

Mr. Pawluk moved to award the project to Magnum Electric, based on their low bid of \$3,963.00.

Second by Mr. Kilander.

Received Proposals to Install Fans in Hangar #3: (Continued)

Mr. Dobberstein stated that it is possible that the tenant in that hangar will change so he would like the project awarded subject to any change in tenants and the chance that the fans will no longer be required, due to the possibility of the installation of heat in the hangar or something different.

Mr. Kilander moved to amend the motion to allow time and discretion to staff as to the indicated negotiations as to whether or not we move forward with the understanding that Magnum is the low bidder on this project.

Second by Mr. Pawluk.

All members present voted aye to the amendment to the motion.

Chairman Clark called for a vote on the amended motion.

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

Mr. Pawluk stated he would imagine that the fans would be necessary even with a heating system.

Received Preliminary Easement Request from the City of Fargo Associated with the Ethanol Plant Water Pipeline:

Mr. Dobberstein stated he received this preliminary easement just late last week and he forwarded it to Attorneys Stewart and Tjon for their review and Mr. Stewart has some concerns.

Mr. Stewart stated they did not include any of the clauses we reviewed earlier, such as cost of relocation if it is required for airport purposes, reimbursement for crop damage etc.

Mr. Pawluk stated he is concerned that they are not following the utility right of way but they are going right across our land. He stated we are essentially giving them that ground (approximately six miles of easement) and we can't do anything on that ground other than drive over it. He asked why they would not follow the utility corridor, or does this become the utility corridor for the future?

Mr. Pawluk stated he is an owner of land adjoining the route of this pipeline. He stated as a County Commissioner he can say that Cass County has not been involved in this project from the beginning. He stated this is the first he recalls seeing this proposed route. He stated he though the route was along County 20.

Mr. Kilander stated he has some real concerns that the way this pipeline is routed is going to inhibit a number of things we are able to do with our airport layout.

Mr. Dobberstein stated we did receive a map of this proposed route back in July 2007 and it was reviewed.

Attorney Stewart stated the concept has been approved by the Airport Authority, subject to final approval of the easements by legal counsel.

Gen. Macdonald stated once Attorney Stewart is satisfied with the legal aspects of the easement and the airport's rights are protected, he does not care where the pipeline goes.

Mr. Dobberstein stated we will bring this back before the board after the changes to the easement have been made.

Mr. Pawluk now absent.

Construction and Security Update:

Mr. Barry Bennett, TSA, was recognized and stated they have moved into their new offices and he thanked the board and staff for their efforts. He indicated they are very happy with their space.

Other Business:

Mr. Dobberstein stated he has been contacted by Enterprise Rent a Car, which is owned by Vanguard. He stated Vanguard also owns National/Alamo and purchased Mr. Maury Lamb's building in the southeast general aviation area. He stated they are requesting permission to allow Enterprise to use that building for their service facility and if that is possible they may not pursue construction of their proposed service facility near the soccer field. He stated they also have an interest in possibly installing a fuel tank adjacent to that building. He asked the board members if they have any concerns with that, even if on an interim basis.

Gen. Macdonald stated he thinks in the long run we want them out of that area, but he cannot say what the long run is. He stated he does not like the idea of them running the cars back and forth and causing more traffic. He stated he feels we need to figure out some way to make it semi-attractive for them to do something on this side of the field. He stated we have had trouble with those buildings for 20 years with them being run down and not kept up.

Mr. Kilander stated if Vanguard bought out National/Alamo and they also own Enterprise wouldn't they also have an interest in the service facility on this side.

Mr. Dobberstein stated Vanguard as a National/Alamo entity does but he does not know about the Enterprise entity. He stated since it is a privately owned facility we cannot dictate that.

Mr. Dobberstein stated he attended a conference for Allegiant Air in Las Vegas last week and gave a brief report on the company. He stated they are doing very well and looking at expanding rapidly. He stated the overall message at the conference was lowering their costs.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 26, 2008 at 8:00 a.m.

Time at adjournment was 9:03 a.m.

Regular Meeting

Tuesday

February 26, 2008

The regular meeting of the Municipal Airport Authority was held Tuesday, February 26, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald, Clark

Absent: None

Others: Stewart, Tjon, Walaker

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 12, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held February 12, 2008 were approved without objection.

Approved the Airport Vouchers Totaling \$31,245.24:

Gen. Macdonald moved to approve the airport vouchers totaling \$31,245.24.

Second by Mr. Pawluk.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$3,528.19 to Ulteig Engineers, Inc. for payment request for engineering services in connection with the Air Cargo Ramp Expansion, Project AIP34.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Carr's Tree Service:

Mr. Pawluk moved to approve the individual voucher in the amount of \$14,300.00 to Carr's Tree Service for payment request (as per quote) for shelterbelt restoration project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$227.96 for payment request for reimbursement for expenses, Allegiant air service meeting.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Cook Sign Co.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,765.53 to Cook Sign Co. for payment request for moving "Fargo-Moorhead" sign with neon river and replacing neon lighting, Terminal Expansion Project, APFC 07.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated they are continuing progress in the departure lounge and the giftshop. He stated they are working on the car rental counters and the new space for Enterprise, which should be done in 3-4 weeks. He stated we should start to see more progress on the north addition with the warmer weather. He stated there are some issues with the sun bothering the airline counter employees at certain times during the day so they are working on a solution to that.

Receive Communication from Vanguard Car Rental USA Requesting Expanded Use of Their South General Aviation Area Facility:

Mr. Dobberstein explained that Vanguard Car Rental USA, which is the company that purchased the National and Alamo car rental operations from Mr. Maury Lamb. He stated part of the purchase included the service facility in the southeast general aviation area. National/Alamo has continued to use that facility for oil changes.

Mr. Dobberstein stated that Enterprise for some time has expressed interest in constructing a new service facility on the west side of the airport near the terminal but has never finalized those plans. He stated since that time, the parent company of Enterprise has now purchased Vanguard Car Rental USA. He stated Enterprise has now suggested that they may consider using the south general aviation facility rather than building a new one.

Mr. Jason Eby, Enterprise, was recognized and stated that Enterprise, National and Alamo are all owned by the Taylor family from St. Louis, MO.

Mr. Pawluk stated if that is the case he asked why Enterprise would not be able to use the National/Alamo facilities on this side of the airport.

Mr. Eby stated from what he understands the agreement in place for the current facility contains certain legalities that would not allow that.

Mr. Dobberstein stated the proposed solution would be good for Enterprise and should be a good solution. Mr. Dobberstein added that we are not a party to the agreement for the west service facility owned by Auto BAHN.

Mr. Pawluk moved to authorize permission to sublease the Vanguard service facility in the south general aviation area to Enterprise for the term of the lease.

Second by Mr. Anderson.

Gen. Macdonald stated unless he is wrong he feels it is the sense of the Airport Authority that we discontinue the operation of car rental facilities on the east side of the airport and at the end of this term they should expect that it not be renewed.

Mr. Pawluk moved to amend the motion to clarify that the sublease run concurrent with the existing lease, which expires in four years.

Second by Mr. Anderson.

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

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

Chairman Clark called for a vote on the amended motion.

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

Gen. Macdonald suggested to Mr. Dobberstein that the term of this lease be clarified to Enterprise.

Received Communication from Fargo Jet Center Requesting a Lease Extension for Hangar #4, South General Aviation Area:

Mr. Dobberstein stated he received a communication from Mr. Jim Sweeney, Fargo Jet Center, requesting a five year extension to the lease for Hangar #4, which expires at the end of February. He stated this is the heated hangar for which they pay \$3,010.00 per month plus the property taxes.

Gen. Macdonald moved to approve the five year lease extension for Hangar #4 requested by Fargo Jet Center.

Second by Mr. Pawluk.

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

Discussed Future Runway 18L/36R Development Plan:

Mr. Dobberstein last week he met with Col. Ron Solberg and Maj. John Gibbs from the North Dakota Air National Guard and during that meeting he was made aware of a proposed new base entrance which has already been bid and awarded. Mr. Dobberstein stated the buildings in this proposed entrance fall within the runway protection zone for future Runway 18L/36R. He stated we are looking for a way for the Guard to modify their project to protect the easement. He stated Mr. Brian Berg, Zerr Berg Architects, is here representing the NDANG to present three possible options to the Authority.

Mr. Brian Berg, Zerr Berg Architects, was recognized and stated their firm is representing the NDANG. He stated this entrance project has been in the works for the past four years. He stated the original design discussions started in 2003 and many options were explored. He stated this site was chosen because of the availability of the property and also the need to alleviate some of the traffic congestion on North University Drive on guard drill weekends. He stated this site also met the setback requirements for building and parking as well as being able to accommodate a planned future base perimeter road.

Mr. Berg stated due to funding issues the project was broken down to three separate bid groups that included the road separately, the building separately, and the paving expansion separately. He stated there is a fear that if we expand the scope of the project significantly it would delay the project one year. He stated the project has been bid and awarded to the contractor and is scheduled to begin this spring.

Mr. Berg stated there was ample opportunity during this process for this matter to be caught and why it wasn't is anyone's guess. He stated they have done 40 other projects for the NDANG and the only other project that has had any impact on the Airport Authority and required an FAA airspace study was the proposed new fire station. He stated they are hoping one of the three options will be agreeable with the Authority so that the Guard can move ahead with the project.

Mr. Berg reviewed the three options:

Option #1 – Modify the base entry plan so it is outside the Runway Protection Zone as currently shown. This option would require significant modifications to the plan, including relocation of the road to the east and moving the proposed guard shack and inspection shelter either far to the

Discussed Future Runway 18L/36R Development Plan: (Continued)

south or to the east. Additional funding would need to be secured and the project would most likely be delayed at least a year. In addition, the buildings could not be moved south far enough to escape the runway protection zone without infringing on the future base perimeter road and infringing on the required anti-terrorism setback from Building 140.

Option #2 – Move the base entry as far south as possible without infringing on the items noted above while moving the south boundary of the protection zone. The entry loop and buildings would move south approximately 100' and the south boundary of the runway clear zone would be relocated approximately 150' by sliding the entire zone north by that amount.

Option #3 – Leave the base entry as currently designed and slide the runway protection zone approximately 200' to the north so that the base entry buildings are outside of the zone.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated the purpose of a runway protection zone is to protect people and property (buildings) on the ground. He stated as long as there are no buildings within the runway protection zone the proposed runway can stay at 4,300 feet. Mr. Synhorst stated before the Airport Authority can build the new runway we will have to go through an environmental assessment and the first two things you have to do is identify a purpose and a need. He stated the reason for this proposed runway is to try and get general aviation aircraft out of the way of the military and airline traffic. He stated right now there is not a purpose and need and we could not justify 500 operations. He stated the purpose of the Airport Master Plan is to protect land for as much runway as possible. He stated 18L/36R would be able to serve aircraft larger than those currently using 13/31.

Gen. Macdonald asked what aircraft would not be able to use 18L/36R if it were shorter than 4,300 ft.

Mr. Synhorst stated a single wheel aircraft weighing 12,500 lbs. or less can operate on a runway of 3,900 feet.

Gen. Macdonald stated we could always move the runway to the north.

Mr. Dobberstein stated the north threshold has already been set because of the line of site requirement for the control tower.

Mr. Pawluk stated a lot of thought and study goes into an Airport Master Plan and that is the basis by which we have done the planning for the airport. He stated in the absence of a new Master Plan our current plan is the one we have going forward. He stated in the last ten years the Airport Authority has spent a lot of money purchasing land to protect the approaches to the airport and it would be hard for him to compromise on that especially since the Guard does have options. He stated this is an oversight on the part of the engineers. He stated he cannot think of a single time when the NDANG has made a request of the Airport Authority that we have not done whatever we can to grant their request.

Mr. Anderson stated he concurs with Mr. Pawluk. He stated he does not feel this current board should take action which would limit future boards.

Mr. Kilander asked what impact changing the length of the runway would have.

Mr. Synhorst stated in our area a runway 3,900 ft. by 75 feet will accommodate aircraft of 12,500 lbs. or less, which includes the King Air.

Gen. Macdonald stated regardless of what we think the length of a runway should be it is ultimately up to what the FAA will allow.

Discussed Future Runway 18L/36R Development Plan: (Continued)

Mr. Synhorst stated runway protection zones are a big issue around the country. He stated there is one airport in the region where for the purpose of economic development someone constructed a building in the runway protection zone even though they were told not to and they are now in a huge mess.

Mr. Pawluk asked Mr. Synhorst if he sees any change in runway protection zones in the future.

Mr. Synhorst stated they will not get any less restrictive. He stated we may see more changes in approach and departure surfaces.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and stated a runway shorter than 4,300 feet would certainly handle all small piston aircraft; however, he thinks it is in everyone's best interest to protect even that extra 300 feet which just increases the safety factor.

Mr. Pawluk stated one thing this Airport Authority has jealously and vigorously done is protect the approaches to the field and this is one matter about which he feels strongly.

Mr. Pawluk moved the Airport Authority approve Option #1 as presented by Zerr Berg Architects.

Second by Mr. Kilander.

Mr. Anderson asked if the board needs to take action today.

Mr. Dobberstein stated he thinks the Guard would like some guidance.

Mr. Berg stated the project has been bid and awarded so they will have to get together and discuss their options. He stated if they have some direction today at least they will know where they stand. He indicated waiting two weeks would not hurt them.

Mr. Pawluk stated he wants the Guard to know that the Airport Authority is committed to doing whatever it can to help the Guard fulfill its mission.

Gen. Macdonald stated unless he can be shown that there is some problem with decreasing the length of the runway but still maintaining the FAA standard for that runway he will vote to grant the Guard their request to move the runway protection zone 300 feet.

Maj. Solberg was recognized and stated this whole issue just came up in the last week so they have not had that much time to explore all of the available options.

Mr. Pawluk withdrew his motion.

Mr. Kilander withdrew his second.

The matter will be discussed further at the next meeting.

Airport Construction and Security Update:

Mr. Dobberstein stated that airports have been advised that our entitlement funds (which should have been received in October 2007) have been cut by 25% and we will have to make the necessary adjustments. He stated we are proceeding with design of the cargo apron expansion and getting ready to bid so that when the FAA Airport District Office in Bismarck is notified that they can issue grants we are ready to submit our application for funding.

Nothing to report on security.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 11, 2008. Time at adjournment was 8:45 a.m.

Regular Meeting

Tuesday

March 11, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 11, 2008 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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held February 26, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held February 26, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$32,058.16:

Gen. Macdonald moved to approve the airport vouchers totaling \$32,058.16.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,138.00 to Sixel Consulting for the February passenger boarding fees (Delta - \$1,768.00 and Allegiant - \$2,370.00).

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,918.00 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project, North Addition, AIP33.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Contemporary Builders:

Mr. Pawluk moved to approve the individual voucher in the amount of \$26,610.00 to Contemporary Builders for partial payment request (final) for general construction of EDS Baggage Project, APFC07.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Southeast Cass Water Resource District:

Mr. Pawluk moved to approve the individual voucher in the amount of \$143,209.64 to Southeast Cass Water Resource District for payment request for the Municipal Airport Authority's share of the Cass County Drain 10 reroute project.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$10,817.34 to Flint Communications for partial payment request for 2008 airport marketing program.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to TF Powers Construction:

Mr. Pawluk moved to approve the individual voucher in the amount of \$193,816.60 to TF Powers Construction for Payment Request #17 for general construction of Terminal Expansion Project (APFC07 - \$6,608.77, AIP33 - \$187,207.83).

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Mr. Pawluk moved to approve the individual voucher in the amount of \$23,337.00 to Grant's Mechanical for Payment Request #16 for mechanical construction of Terminal Expansion Project.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Pawluk moved to approve the individual voucher in the amount of \$19,318.25 to Bergstrom Electric for Payment Request #16 for electrical construction of Terminal Expansion Project, (APFC07 - \$349.12, AIP33 - \$18,969.13).

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Pawluk moved to approve the individual voucher in the amount of \$64,171.81 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Expansion, Project AIP34.

Second by Gen. Macdonald.

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

Absent and not voting: Anderson

The motion was declared carried.

Received Change Order G-5 to Contemporary Builders for an Increase of \$1,314.00 EDS

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order G-5 to Contemporary Builders for an increase of \$1,314.00 to the EDS Baggage Project contains two items. He stated the first is the installation of some additional vinyl wall covering in the Skywest Airlines area as well as some additional painting, and the second is some additional sheetrock installed behind the ticket counters and baggage area due to some irregularities in the wall.

Mr. Pawluk moved to approve Change Order G-5 in the amount of \$1,314.00 to Contemporary Builders for the EDS Baggage Project.

Second by Mr. Kilander.

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

Passenger Terminal Update:

Mr. Derek Diers, TL Stroh Architects, was recognized gave a report on the passenger terminal project. He stated they have begun pouring floors in the north addition as well as working on the masonry walls, the steel, decking, and will start putting up walls. He stated they are not going to start working on changing the finishes in the existing departure lounge until they are further along on the north addition.

Received Preliminary 2007 O&M Financial Report:

Mr. Dobberstein distributed the preliminary 2007 O&M Financial Report. He stated the report has not yet been audited and will not be probably until some time this summer.

Mr. Pawluk moved to receive and file the preliminary 2007 O&M Financial Report.

Second by Mr. Kilander.

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

Received Proposed Easements Associated with the Water Pipeline Project:

Mr. Dobberstein stated that Attorney Stewart has now completed his review of the proposed easements associated with the water pipeline project (temporary construction and permanent easements) which were prepared by Bartlett & West. He stated there are five permanent easements involved for the airport property. He stated we have been communicating with our tenant farmers as far as any affect on their leased areas. He stated it appears to him that what the tenant farmers will be offered will be reasonable compensation, which will be based on the type of crop.

Mr. Kilander moved to accept the temporary and permanent easements between the Municipal Airport Authority and the City of Fargo for the water pipeline project as presented by counsel.

Second by Mr. Pawluk.

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

Received Proposed Easement Associated with a Bike Trail:

Mr. Dobberstein stated Attorney Stewart has reviewed the proposed permanent easement to the City of Fargo for the extension of a bike trail north of County 20 along the west side of North University Drive to the Riverwood Park.

Gen. Macdonald moved to approve the proposed permanent easement to the City of Fargo for the extension of the bike trail.

Second by Mr. Pawluk.

Mr. Pawluk asked if the easement provides for the Airport Authority to be able to take back the land if it is needed for our own purposes.

Attorney Stewart stated that should not be a problem with the City.

Chairman Clark called for a vote on the motion.

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

Continued Discussion Regarding Proposed Development Adjacent to Future Runway 18L/36R:

Mr. Dobberstein stated since the last meeting the parties involved have had a number of meetings, including those with the FAA.

Mr. Brian Berg, Zerr Berg Architects, representing the NDANG, was recognized and stated Col. Ron Solberg and Maj. John Gibbs were not able to be at the meeting today. He stated today he has some revised plans to present today.

Mr. Berg stated at the last meeting there was discussion on the obvious concern of the buildings in the runway protection zone, but after discussions with Ulteig Engineers, the entrance road also poses a concern because of the volume of traffic queuing on that road during Guard drill weekends. He stated moving both the buildings and the entrance road out of the runway protection zone without changing the zone would require an additional 200 feet of roadway, which was not included in the original plan. He stated it is his understanding that the funding for this project has been secured from the Guard Bureau and there is no possibility under the current funding structure to get additional funds for the additional 200 feet of road. He stated those would have to come from local funds and there is a possibility that could happen but they would prefer not to have to do that. He stated the only option other than to move the road and the buildings would be to shorten the length of the runway which would move the runway protection zone further north.

Mr. Kilander stated he received information on what aircraft would not be able to use the runway if the length were reduced 250' and it was his impression was that the impact on the airport to serve the flying public would be negligible.

Mr. Steve Synhorst, Ulteig Engineers, was recognized and stated right now we would not be able to justify a 4,300' runway to the FAA.

Mr. Pawluk stated he is going to repeat what he stated at the last meeting and that is because the parties involved in planning this entrance for the Guard did not properly study our Airport Master Plan and they are now asking us to change our master plan to accommodate the lack of planning that took place on their part. He stated the Airport Master Plan is a document by which we operate this airport and it is hard for him to forever compromise what we have decided on and how we have operated this airport for all these years due to the lack of planning on someone else's part.

Continued Discussion Regarding Proposed Development Adjacent to Future Runway 18L/36R:
(Continued)

Gen. Macdonald asked Mr. Berg how many feet they would need the protection zone to be moved to the north.

Mr. Berg stated 250 feet would solve their problem.

Mr. Kilander stated since the shortening of the runway 250' would have such a negligible affect on the operation of the airport and the proposed design of the Guard entrance appears to be the most economical and best use of tax dollars, he would have a hard time seeing why we would not approve this request.

Gen. Macdonald stated we have to keep in mind that when it is time to approve that runway, it will not be the Airport Authority that determines the length of the runway but rather the FAA. He stated he is willing to grant the request of the Guard and move the runway protection zone 250 feet.

Mr. Kilander asked Mr. Dobberstein if he sees any down side to approving this request.

Mr. Dobberstein stated without a significant increase in general aviation activity he would be hard pressed to believe that the runway would be justified to exceed 4,000 feet.

Gen. Macdonald stated he admits he is a little prejudice but he knows what the Guard has done for this airport. He stated without the Guard we probably would not have had a 9,000 foot runway, we had crash fire services from the Guard for many years at no cost and even now at a very reasonable cost. He stated he thinks giving up 250 feet of runway space which we may not ever use is a small cost.

Mr. Dobberstein stated he agrees with Mr. Pawluk that he does not like to give up protection space, however, if we ever go forward with trying to justify that runway it is probably going to be substantially less than that shown on the Airport Master Plan.

Mr. Synhorst asked Mr. Berg if 250' will get them what they need.

Mr. Berg stated 250' will get them what they need with some adjustment to the road.

Mr. Pawluk stated he feels the number one problem for airports in this country is airport encroachment and this is an example of airport encroachment. He stated it is his understanding that the lack of funding for the additional 200' of road is the reason we have to allow this encroachment on the field. He asked how much the additional 200' of road would cost.

Mr. Berg stated he did not have figures off hand but he estimated over \$100,000.

Gen. Macdonald moved the Airport Authority change the proposed length of Runway 18L/36R from 4,300 feet to 4,050 feet, a reduction of 250'.

Second by Mr. Kilander.

Mr. Kilander stated his second to the motion does not indicate his giving up the position that he wants to protect the airport and the airport land as much as possible. He stated master plans are fluid and that he does not see where this becomes at all detrimental.

Gen. Macdonald stated if in the future we need that 250' he could not comprehend the Guard not giving it back to us.

Continued Discussion Regarding Proposed Development Adjacent to Future Runway 18L/36R:
(Continued)

Mr. Pawluk stated the one topic that is escaping this discussion is the fact that we are that we are allowing buildings to be constructed in an area that is still vulnerable in the event of an airplane crash, even if it is outside the base limit of the runway protection zone.

Chairman Clark called for a vote on the motion.

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

Pawluk voted no.

Absent and not voting: Anderson

The motion was declared carried.

Mr. Dobberstein asked Mr. Synhorst what we will need to do to advise the FAA that we have made this change to our Master Plan.

Mr. Synhorst stated he will advise Mr. Tom Schauer, FAA.

Received Communication from the FAA Regarding Proposed Cargo Apron Expansion:

Mr. Dobberstein stated we received a communication from Patricia Dressler, Environmental Protection Specialist, FAA Bismarck Airports District Office, dated February 25, 2008, that our Cargo Apron Expansion Project has been reviewed in accordance with the National Environmental Policy Act.

Mr. Pawluk moved to receive and file the communication.

Second by Mr. Kilander.

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

Received Notice from the City of Fargo Regarding Proposed Special Assessment for 16th Street North Paving Project:

Mr. Dobberstein stated we have received notice from the City of Fargo regarding proposed special assessments for the 16th Street North paving project.

Mr. Kilander moved to receive and file the communication.

Second by Mr. Pawluk.

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

Continued Discussion Regarding Airline Lease and Operating Agreement Renewal Process:

Mr. Dobberstein stated Mr. John DeCoster, Trillion Aviation, has provided us with a draft agreement for our review to provide services in our process to renew the airline lease and operating agreements. He stated the services would be provided on a time and materials not to exceed basis.

Gen. Macdonald stated he has reviewed this proposal and as he has thought about this he has more and more problems with it. He stated he does not know what kind of confidentiality this agreement provides us with. He stated he has a lot of respect for Mr. DeCoster but there are some things in the agreement that bother him. He stated he wonders what we are going to accomplish by hiring him.

Continued Discussion Regarding Airline Lease and Operating Agreement Renewal Process:
(Continued)

Mr. Pawluk stated his concerns were much the same as Gen. Macdonald's and he also questioned who Mr. DeCoster would be representing. He stated maybe we need to have an interview with Mr. DeCoster.

Mr. Dobberstein stated that Mr. DeCoster is willing to be interviewed. He stated he would be working for the Airport Authority. He stated right now he is working for the Metropolitan Airports Commission, as well as other airports such as Rapid City, Duluth, Rochester, and doing a good job for them. He stated his job will be to come up with options to present to the Airport Authority and it will be up to the board to make those decisions.

Mr. Pawluk stated he was cool to the idea at first but he has since warmed to it.

Gen. Macdonald asked what we are going to get out of this as we have had no problem with the airlines. He stated we are one of the only airports they didn't come to when things were getting bad. He stated right now the only thing that bothers him is getting Allegiant's per passenger costs down and there are many ways to do that.

Mr. Dobberstein stated he will invite Mr. DeCoster to a future meeting and see when he is able to attend.

Construction and Security Update:

Mr. Dobberstein stated even though we are still anticipating a reduction of 25% in our entitlement funds the FAA is encouraging us to proceed with design plans and getting bids out.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated they are continuing work on getting the Air Cargo Apron Expansion project ready for bid as the grant deadline is May 1.

Mr. Steven Synhorst, Ulteig Engineers, stated that the upside of the situation is that there are some local contractors who are looking for work and we may get some very competitive bids.

There was nothing to report on airport security.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, March 25, 2008, at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:55 a.m.

Regular Meeting

Tuesday

March 25, 2008

The regular meeting of the Municipal Airport Authority was held Tuesday, March 25, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Macdonald, Clark

Absent: Pawluk

Others: Tjon, Walaker

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 11, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held March 11, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$28,378.77:

Mr. Anderson moved to approve the airport vouchers totaling \$28,378.77.

Second by Gen. Macdonald.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Inter-Office:

Gen. Macdonald moved to approve the individual voucher in the amount of \$94,790.00 to Inter-Office for deposit for Phase II of furniture portion of Terminal Expansion Project, APFC07.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$280.00 to Hanson Design for payment request for landscape architect fees for shelterbelt restoration project.

Second by Mr. Kilander.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received Change Order G-25, TF Powers Construction, for an Increase of \$2,436.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-25 for an increase of \$2,436.00 was to replace the existing doors at the four car rental agencies.

Mr. Kilander moved to approve Change Order G-25 to TF Powers Construction for an increase of \$2,436.00.

Second by Mr. Anderson.

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

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the passenger terminal project. He stated the giftshop and the car rental spaces are almost complete. He stated they are working on pouring floors in the north addition as well as the exterior sheeting. He stated the west stairway is done except for the carpet. He stated they are also working on possibilities for the sun issues at the ticket counters.

Received Notice from the FAA Approving FY08 DBE Goal:

Mr. Dobberstein stated we submitted our 2008 Disadvantaged Business Enterprise (DBE) goal for fiscal year 2008 for our construction project. He stated the North Dakota Aeronautics Commission received notice from the Federal Aviation Administration Office of Civil Rights that our goal was approved. He stated now that these goals have been approved we will be advertising that goal along with our concessionaire goal, as required by the FAA.

The communication from the Federal Aviation Administration dated February 13, 2008, was received and filed without objection.

Reviewed Eastside Terminal Agreement with Keller Williams:

Mr. Dobberstein stated that Keller Williams has represented us on the Eastside Terminal to solicit tenants and market the building. He stated that just recently he and Mr. Kilander were going over some matters on the Eastside Terminal and Mr. Kilander brought it to his attention that the actual contract we had signed with Keller Williams was a "showing agreement" rather than a "listing agreement", which was the intention of the Airport Authority. He stated that discovery resulted in a meeting he and Mr. Kilander had with representatives from Keller Williams and Attorneys Stewart and Tjon to try and sort out the listing agreement. He stated we have been provided with a draft Commercial Exclusive Listing Agreement and we are still reviewing that and working out the details.

Mr. Kilander stated discussion about a potential major tenant made him ask Mr. Dobberstein a number of questions and those questions led to the documentation and it was then he discovered it was a "showing agreement" and that is not what the Airport Authority had approved. He stated we were hiring a broker to represent us. The Keller Williams representatives indicated they were treating their responsibilities as an agent, even though that was not the actual document in place.

Mr. Dobberstein stated we will complete the review on the document and bring it before the board at the next meeting.

Received Notice from Dakota Export Vacating the Eastside Terminal Office Space:

Mr. Dobberstein stated he received notice via e-mail from Mr. Dmitry Kovalyov, Dakota Export, of their plans to vacate the office space effective at the end of March as he has found office space off the airport. He stated his lease requires him to pay rent through August 2008, but that will be negotiated if the space is leased by another tenant.

Authorized Attendance at the ACI-NA Jumpstart Air Service Conference, June 22-25, 2008:

Mr. Dobberstein stated the ACI-NA Jumpstart Air Service Conference is an event that has been attended on our behalf by Mr. Mark Sixel since he has been under contract with us. He stated on the final day of the conference airports are able to schedule 20 minute meetings with airline planners to pitch service for your community. He stated in order for Mr. Sixel to attend on our behalf we have to register the airport. He stated Mr. Sixel's attendance on our behalf has worked out well for us the past few years. Mr. Dobberstein stated he is also considering attending but it would probably be just for the jumpstart portion.

Mr. Anderson authorized the attendance of the ACI-NA Jumpstart Air Service Conference, June 22-25, 2008 by Mr. Dobberstein and Mr. Sixel.

Second by Mr. Kilander.

Gen. Macdonald stated he would like to encourage Mr. Dobberstein to attend. He stated Mr. Sixel has a lot of credibility and knowledge of statistics but he feels Mr. Dobberstein would best represent the community in ways Mr. Sixel is not able to.

Chairman Clark called for a vote on the motion.

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

Airport Construction and Security Update:

Gen. Macdonald asked what has been done with the proposed changes to the sidewalk from the short term parking lot to line up with the new west entrance.

Mr. Dobberstein stated Mr. Jeff Klein, Ulteig Engineers, presented a proposal to the board on January 22, 2008 and at that time the board decided to hold off on a decision until the first meeting in April.

Mr. Anderson asked if any plans have been drafted.

Mr. Klein stated he did have some sketches at the January 22 meeting.

Mr. Anderson moved to direct Ulteig Engineers to draft a change order to put a walkway across from the west entrance and remove the existing sidewalk in line with the former west entrance.

Second by Gen. Macdonald.

Mr. Anderson stated Mr. Dobberstein and Mr. Klein can get together and discuss the scope of the project.

Chairman Clark called for a vote on the motion.

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

There was nothing to report on security.

The meeting was adjourned until the next regular meeting to be held Tuesday, April 8, 2008 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:24 a.m.

Regular Meeting

Tuesday

April 8, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 8, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Pawluk, Macdonald, Kilander

Absent: Clark

Others: Tjon

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 8, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held April 8, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$24,451.40:

Mr. Anderson moved to approve the airport vouchers totaling \$24,451.40.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$942.85 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, AIP33.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$6,552.00 to Sixel Consulting for March passenger boarding fees (Delta - \$1,504.00, Allegiant - \$5,048.00).

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$13,485.97 to Flint Communications for partial payment request for 2008 airport marketing program.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$8,912.32 to TL Stroh Architects for architectural services in connection with the Terminal Expansion Project (APFC07 - \$215.56, AIP33 - \$8,696.76).

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,462.50 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Ramp Expansion, Project AIP24.

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$173,179.65 to TF Powers Construction for Partial Payment Request #18 for general construction of Terminal Expansion Project (APFC07 - \$34,620.28, AIP33 - \$138,556.67).

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$23,220.00 to Grant's Mechanical for Partial Payment Request #17 for mechanical construction of Terminal Expansion Project (APFC - \$3,369.86, AIP33 - \$19,850.14).

Second by Mr. Anderson.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$33,326.95 to Bergstrom Electric for Partial Payment Request #17 for electrical construction of Terminal Expansion Project (APFC07 - \$19,542.47, AIP33 - \$13,784.48).

Second by Mr. Anderson.

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

Absent and not voting: Clark

The motion was declared carried.

Received Change Order E-24, Bergstrom Electric, for an Increase of \$849.00:

Mr. Dobberstein stated this change order has been deleted and the work was not going to be done as it was not a code issue.

Passenger Terminal Construction Update:

Mr. Joe Jenni, TL Stroh Architects, was recognized and stated they are still shooting for a June 23 completion date for the north addition. He stated at that time we will begin the work in the east departure lounge which will include ceilings, walls, carpet, lighting, etc. He stated we will continue to use Gate 1 for boarding but the seating will be limited in the areas in which they will be working.

Mr. Anderson asked Mr. Jenni to have information at the next meeting about the anticipated final completion date of the entire project.

Passenger Terminal Construction Update: (Continued)

Mr. Dobberstein stated when the north addition is complete we have talked about the possibility of putting a coffee/sandwich kiosk in the secured departure area. He stated we did include plumbing rough-ins on both the east and west sides so it could be located on either side. He stated Kevin and Sheryll Clapp who operate the giftshop have expressed an interest as they are already supplying the vending machines in the departure lounge. He stated we will have to see what our obligations are in our lease with The Barnstormer and if they would have an exclusive opportunity to that service. He stated another option would be to put out a request for proposals for post-security food/beverage service.

Mr. John DeCoster, Trillion Aviation, was recognized and stated he is doing a concession study for Rapid City right now and their post-security food service provides as much revenue to the airport as the pre-security operation. He stated travel has changed and passengers used to be able to rely on having time to get food and beverages once they get to the hub airport but that has changed and it doesn't seem like there is that much time between flights anymore. He stated he thinks moving toward adding post-security food service is the right direction.

Continued Discussion Regarding East Terminal Agreement with Keller Williams:

Vice Chairman Kilander stated this matter was discussed at the last meeting and asked Attorney Tjon to give an update.

Attorney Tjon stated that Keller Williams was quite eager to get this agreement signed so she made all of the changes to the agreement that had been discussed. She stated she also added a clause that if a non-aeronautical use tenant was required to vacate due to the leasing of space by an aeronautical use tenant the Airport Authority would not be responsible for any costs involved in the tenant's relocation. She stated she is now comfortable with the agreement as amended.

Approved Lease and Operating Agreement with Frontier Airlines:

Mr. Dobberstein stated the lease and operating agreement with Frontier Airlines will be the same lease and agreement we have with the other airlines, with the exception of square footage of exclusive space. He stated they have already been here preparing their space and their signage should be up soon. He stated they will begin their employee training May 1.

Mr. Anderson moved to approve the lease and operating agreement with Frontier Airlines.

Second by Mr. Pawluk.

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

Discussion with John DeCoster, Trillion Aviation, Regarding Airline Lease Renewal Consultation:

Mr. John DeCoster, Trillion Aviation, was recognized and gave a brief overview of his background. He stated he was with Northwest Airlines from 1995 to 2007 as Regional Director – Airport Affairs. He stated following his retirement from Northwest he joined a small firm called Trillion Aviation based in Austin, TX. He stated the firm was started by a gentleman who worked for both Continental and America West and it was just the two of them until last month when they added another person based out of Washington, DC, who was the airport affairs director for the Air Transport Association working with all of their members. He stated their focus is small to medium sized airports so they bring a little different twist to the consulting business as all of the other firms go after the big airports. He stated during his years at Northwest he had over 100 airports in his portfolio and probably 80% of them were the size of Fargo. He stated they try to bridge the gap between airports and airlines rather than polarize them. He stated he always enjoyed working with Fargo because the airport in Fargo always tried to be a partner with the airlines and always involved them in expansion plans and discussions on lease rates and charges.

Mr. DeCoster stated he is proposing to come in and start at ground zero with the lease and operating agreement as it is over 20 years old and the industry has seen a lot of changes over those years. He stated the goal is to make this a competitive airport, maintain the financial integrity of the airport, as well as the airlines, and incorporate the changes in the industry and in the terminal itself. He stated the document will be a contemporary agreement that addresses all of the changes in the industry and will make it a document that will go through any potential airline's review process quite easily.

Mr. Pawluk asked Mr. DeCoster if he would be involved in negotiations with the airlines.

Mr. DeCoster stated that is the board's call. He stated he does not see the board abdicating the negotiations to him. He stated the airport management and legal counsel needs to be in the forefront as the spokesmen, but he is the tool to provide the right background information needed.

Mr. Pawluk asked Mr. DeCoster if he would be representing the airport or the airlines.

Mr. DeCoster stated he would clearly be representing the airport's interest with the airlines. He stated the value he can bring is an understanding of how the airlines will react to proposed lease terms. He stated he knows what airports need to do to protect their interests in a fashion that is acceptable to an airline.

Mr. Pawluk stated he has served on this board for a number of years and he feels we do have a good relationship with the airlines so he is wondering what Mr. DeCoster could offer that would be different.

Mr. DeCoster stated he sees some airlines probably taking the position of not wanting a lease and not wanting to pay any more than they are now. He stated as an airport operator that is not in your best interest. He stated you need a contractual agreement as you have an asset you have to pay for, as well as operating expenses. He stated he will use his experience in working with airlines and other airports and put those into a contract that will be very defensible as you negotiate with airlines.

Mr. Anderson asked the term of this agreement.

Mr. Dobberstein stated the term will go through such time as the airlines to sign an agreement to be effective January 1, 2009. He stated beyond that he is not certain.

Discussion with John DeCoster, Trillion Aviation, Regarding Airline Lease Renewal Consultation:
(Continued)

Mr. Anderson stated he has some uncertainty but he is willing to give it a run. He also asked if anything Mr. DeCoster does would overlap with what Sixel Consulting is doing for us.

Mr. Dobberstein stated they do not overlap but what Mr. DeCoster does will indirectly help what Sixel is doing to in expanding air service, as we will have a very competitive lease and operating agreement to propose to potential airlines.

Gen. Macdonald stated he recalls in negotiations with Northwest Airlines in the past that they did not care how we broke out the charges, as long as we received the airline requirement. He asked if that is still true today. He stated it also appears to him that we are treating the major carriers very well as far as cost per passenger but we have to find a way to reduce the cost per passenger for the smaller carriers such as Allegiant, without impacting the revenues of the major carriers.

Mr. DeCoster stated as far as the airline requirement issue and how charges are assessed it does matter today and that is one of the changes in the last decade. He stated they have done a lot of analysis on the 20%/80% formula such as the airport is currently using and have found it has been a barrier to the carriers such as Allegiant that don't have the volume of the legacy carriers. He stated they can come up with some mixing and matching of formulas to come up with the right balance. He stated you may decide to continue with the current formula but it will be an informed decision after analysis rather than doing it just because that's the way you've always done it.

Mr. Dobberstein stated his goal is that the airlines not pay any more in rates in charges on an annual basis under the new lease agreement even though we have expanded the terminal. He stated at the same time we have a responsibility to make certain that we have enough to cover our costs. He stated we have already seen our energy bill go up after occupying the west expansion so it will increase even more when the north addition is occupied.

Mr. DeCoster stated you also need to protect yourself against potential mergers. He stated if that happens it is a whole different dynamic.

Mr. Pawluk stated the underlying reason for him supporting this would be for this airport to be able to market itself to other airlines.

After further discussion, Mr. Pawluk moved to enter into a contract with Trillion Aviation to develop airline lease and operating agreements at a cost not to exceed \$20,000.

Second by Mr. Anderson.

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

Airport Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and distributed plans and a construction cost estimate to relocate the existing sidewalk and crosswalk leading from the short term parking lot to the new west entrance of the terminal.

After discussion of the plans the board took a recess to go to the site to review it. Time at recess was 9:15 .am.

Airport Construction and Security Update: (Continued)

Meeting resumed at 9:23 a.m.

Mr. Anderson moved the board direct Mr. Klein to make the changes discussed and forward to TF Powers to propose a change order and if the cost comes back too high (beyond what engineer thinks is reasonable) we will put the project out for bids.

Second by Gen. Macdonald.

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

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 22, 2008, at 8:00 a.m.

Time at adjournment was 9:28 a.m.

Regular Meeting

Tuesday

April 22, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, April 22, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 8, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held April 8, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$26,204.49:

Mr. Pawluk moved to approve the airport vouchers totaling \$26,204.49.
Second by Mr. Kilander.
On the call of the roll, members Kilander, Anderson, Pawluk, Clark voted aye.
Absent and not voting: Macdonald
The motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$386.10 to Forum Communications for payment request for advertisement for bids for Air Cargo Apron Expansion Project, AIP34.
Second by Mr. Kilander.
On the call of the roll, members Kilander, Anderson, Pawluk, Clark voted aye.
Absent and not voting: Macdonald
The motion was declared carried.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the passenger terminal project. He stated Enterprise has now moved to their new location and the old location has been demolished to open up the space in the baggage claim area. He stated the giftshop remodel is complete. He stated they are progressing on the north addition. They have started pouring slabs and roofing, as well as started framing on the second floor. He stated the renovations to the west stairway are complete and the stairway is in use.

Mr. Stroh stated some of the board members have expressed their concern about the carpet and how the seams between the squares are so visible. He indicated the squares are designed to be laid either all the same direction or at a quarter turn to make more of a pattern. He indicated they would have the installer change some of the carpet and re-install it with quarter turns to see if that will solve the problem.

Mr. Stroh stated he is still hearing a completion date of mid June but he thinks mid July is more realistic.

Received First Quarter 2008 PFC Report:

The PFC report for the first quarter of 2008 was received and filed without objection.

Received Letter from Northstar Aviation Insurance Requesting Lease Extension for East Terminal Space:

The communication dated April 9, 2008 from Northstar Aviation Insurance was received and filed without objection.

Mr. Dobberstein stated Mr. Marc Lepage, Northstar Aviation Insurance, is requesting a five year extension with a 90 day vacate notice. He stated the lease will include a 3% escalator clause as do the other leases in the building.

Mr. Dobberstein stated Northstar is our senior tenant in the building and they have been a good tenant. He stated he would recommend granting the extension but would not want to grant a notice to vacate clause of more than 60 days.

Mr. Dobberstein stated the potential major tenant that was looking at the building in the last few months is off the table for this year and probably next year as well so he would recommend approving this extension.

Mr. Pawluk moved to approve the request from Northstar Aviation Insurance for a five year extension with a 60 day notice to vacate clause.

Second by Mr. Anderson.

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

Received Vacate Notice from Agri-Imagis Regarding East Terminal Lease:

The communication from Agri-Imagis dated April 17, 2008, was received and filed without objection.

Mr. Dobberstein stated Agri-Imagis has been a tenant in the East Terminal for a number of years and their lease has been on a month to month basis since 2004. He stated they have advised that they will be vacating the space at the end of the month. He stated they have been trying to find office space elsewhere for over a year now. He stated he has advised Keller Williams that the space will be available and we anticipate that we should be able to find a tenant.

Received Bid Tabulation and Recommendation of Award from Ulteig Engineers for Air Cargo Apron Expansion Project:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated we received bids for the Air Cargo Apron Expansion Project on April 15, 2008. The bids received were as follows:

Northern Improvement	\$1,588,447.75
Industrial Builders	\$1,655,696.50
Dakota Underground	\$2,121,462.50
Strata Corporation	\$2,136,434.80
Opp Construction	\$2,294,145.95
Engineer's Estimate	\$1,555,941.00

Mr. Klein stated they have reviewed the proposal of the apparent low bidder, Northern Improvement Company, and recommend awarding the contract to them, contingent upon receipt of the FAA grant of \$1.76 million.

Mr. Anderson moved to approve the bid tabulation as presented by Ulteig Engineers and that the contract be awarded to Northern Improvement Company, contingent upon receipt of the AIP grant offer from the FAA.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

There were no security items to discuss.

Other Business:

Mr. Dobberstein stated he and Attorneys Stewart and Tjon have been working with Kathleen Nelson, the Airport Affairs representative for Northwest Airlines on signing the one year extension of their lease and operating agreement. He stated the other two airlines have signed theirs. He stated Northwest is continuing to pay their bills so he is not too concerned. He stated the point of contention has to do with their request for different language than the other airlines, which would be considered "favored nation status" and we are not able to do that. He stated Attorneys Stewart and Tjon will continue to pursue a resolution.

Mr. Dobberstein stated Frontier Airlines will be having a ribbon cutting event for their inaugural flight on May 12. He stated Mr. Mark Sixel, Sixel Consulting, will be arriving on that flight and he will be here for our meeting on May 13 as well as making a presentation to the board of the Greater Fargo-Moorhead Economic Development Corporation.

Mr. Dobberstein stated the Finance Director for the City of Fargo, Mr. Kent Costin, has requested to be on the agenda for the next meeting to present an update on telephone service and fiber optics.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, May 13, 2008 at 8:00 a.m.

Time at adjournment was 8:26 a.m.

Regular Meeting

Tuesday

May 13, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, May 13, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held April 22, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held April 22, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$66,515.46:

Mr. Kilander moved to approve the airport vouchers totaling \$66,515.46.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$1,244.45 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, Project AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$180,215.00 to TF Powers Construction for Payment Request No. 19 for general construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$119,257.70 to Grant's Mechanical for Payment Request No. 18 for mechanical construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$22,984.32 to Bergstrom Electric for Payment Request #18 for electrical construction of the Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 quarterly airline report.

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$2,940.00 to Sixel Consulting for payment request for April passenger fees (Delta - \$1,144.00, Allegiant - \$1,796.00).

Second by Mr. Pawluk.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$4,774.04 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 Kilander, Anderson, Pawluk, Macdonald, Clark voted aye.
No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Forum Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$386.10 to Forum Communications for advertisement for bids for Air Cargo Apron Expansion Project, AIP34.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald move to approve the individual voucher in the amount of \$10,005.10 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Expansion Project, AIP34.

Second by Mr. Pawluk.

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$11,793.97 to Flint Communication for partial payment request for 2008 airport marketing program.

Second by Mr. Pawluk.

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

Received Change Order M-10, Grant's Mechanical, for an Increase of \$5,731.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order M-10 for an increase of \$5,731.00 involved a number of items.

- Add rough-in for laundry tub in lower level, future sink by others - \$2,387.00
- Relocate floor drain in lower level - \$131.00
- Add rough-ins for sinks on upper level, future sink by others - \$2,172.00
- Offset roof drains for structural steel north addition - \$990.00

Gen. Macdonald moved to approve Change Order M-10 to Grant's Mechanical for an increase of \$5,731.00.

Second by Mr. Pawluk.

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

Anderson voted no.

The motion was declared carried.

(Mr. Anderson indicated his reason for voting no is the lack of back-up documentation for the change order.)

Received Change Order G-26, Grant's Mechanical, for an Increase of \$2,860.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order G-26 adds a lintel at the duct chase between the old generator room and the new mechanical/electrical room. He stated this was another area that they did not know how it was constructed until getting into it and after getting into the area it was discovered that some cross-bracing was needed.

Mr. Anderson moved to approve Change Order G-26 to Grant's Mechanical for an increase of \$2,860.00.

Second by Mr. Pawluk.

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

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

Passenger Terminal Construction and West Sidewalk Relocation Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and reviewed progress on the terminal expansion project. He stated they have started on the roofing system and have been slowed somewhat by weather conditions. He stated at this point it looks like the completion of the north addition will be a week or two later than the anticipated June 26 date.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated he was just presented with a proposal from TF Powers for the sidewalk project for a total of \$42,716.00. He stated the project has been changed dramatically from the original concept because we have added the removal and replacing of some sidewalk panels on the east side of the building as well as some additional paving to replace existing grass area.

Mr. Anderson stated he feels we should get some informal bids on this project.

Passenger Terminal Construction and West Sidewalk Relocation Update: (Continued)

Mr. Dobberstein stated there are a lot of items included in this project and it is pretty involved. He added that the Park District will be picking up some of the cost in the flowerbed area, approximately \$4,400.00.

Mr. Anderson stated he would like to see two other proposals.

Mr. Klein indicated he would get two more proposals.

Received Request to Lease South General Aviation Hangar and Space in the East Terminal Building;

Mr. Dobberstein the party interested in this lease has requested that this matter be tabled until the next meeting. He stated we do have a letter of intent from Keller Williams, which is non-binding, to lease approximately 3,000 square feet in the east terminal. He stated our legal counsel has reviewed this letter. He stated since this letter is non-binding so we could sign the letter today if the board so desires.

Mr. Anderson stated he would rather table the entire matter.

The item was tabled.

Received Communication from Vic's Aircraft Sales Requesting Extension of Hangar Lease Agreements and Limited Service FBO Agreement:

Mr. Dobberstein stated Mr. Victor Gelking has two lease agreements expiring this year, the first is the land lease on his carousel hangar, which is up this month, and the second is his FBO operating lease and agreement, which is up in October.

Mr. Dobberstein stated one of the requirements for the extension of the carousel hangar is that the building be painted an approved color rather than red. He stated the rental rate will be increased to meet the others (from six cents per square foot to eight cents).

Mr. Dobberstein stated the operating lease for his limited services FBO, including the ground lease on his Vic's Aircraft Sales hangar, would be for a five year term

Gen. Macdonald moved to approve the request from Mr. Victor Gelking for the five year extension of his ground lease on the carousel hangar, provided the painting requirements are met, and also the five year extension of his operating lease and ground lease for Vic's Aircraft Sales.

Second by Mr. Anderson.

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

Mr. Kilander asked if there is anything we can do to dress up the southeast general aviation area along 19th Avenue, such as planting trees along the fence line.

Mr. Dobberstein stated we have looked at planting trees/shrubs in that area but in the winter we need that area for snow storage.

Mr. Pawluk stated he thinks that improving the appearance along the 19th Avenue corridor should be our project for next year and whether it is done in phases or not that can be determined.

Mr. Dobberstein stated we have worked with Hanson Designs, the landscape architecture firm, and we can certainly look at working with them, as they have done other projects for us in conjunction with the Fargo Forestry Department.

Air Service Update:

Mr. Dobberstein stated that Mr. Mark Sixel, Sixel Consulting, was planning to be here today to present an air service update but he had to cancel his plans. He stated hopefully we will be able to reschedule at sometime in the future.

Mr. Dobberstein reviewed the highlights from the airline traffic report for calendar year 2007. He indicated the entire report is posted on our website.

Mr. Dobberstein stated Frontier Airlines had their inaugural flight yesterday and things went well.

Received Notice of FAA Grant Award for Air Cargo Apron Project:

Mr. Dobberstein stated that last Friday we received the Notice of Grant Award from the FAA in the amount of \$1,766,003 for the Air Cargo Apron Expansion Project, AIP34. He stated he and Attorney Stewart executed the grant and returned it to the FAA. He stated the next step is to approve the proposed contract with Northern Improvement. He stated Attorneys Stewart and Tjon have been reviewing the contract and the only thing missing is some bond information. He stated we have awarded the project to Northern Improvement, which was subject to receipt of the grant, and once the contract is approved we will issue a notice to proceed.

Mr. Dobberstein stated he would like the board to approve the contract with Northern Improvement, subject to final approval by our legal counsel.

Mr. Anderson moved to approve the proposed contract with Northern Improvement and also approve the issuance of the Notice to Proceed, subject to final approval by legal counsel.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

Gen. Macdonald asked about the progress on the post security food/beverage service.

Mr. Dobberstein stated at this point we have more questions than answers. He stated Attorney Stewart reviewed our lease with The Barnstormer and it does not provide exclusive rights to all food and beverage service in the terminal. He stated the giftshop operators, Kevin and Sheryll Clapp, are very interested but to be fair we will probably have to put out a request for proposals. He stated our intern, Kash Lund, is in the process of getting copies of RFPs from other airport. He stated as far as designing the space in the departure lounge we will probably have to wait until we get proposals from interested parties and get an idea of their vision for the service.

Mr. Dobberstein gave a brief report on the recent diversion of the Northwest Airlines flight going from Minneapolis to Regina due to a fire in the aircraft's restroom. He stated the response from all parties involved went extremely well.

Received Communication from State Bank & Trust Regarding JP Development, LLP:

Attorney Tjon stated she received a communication dated May 1, 2008, from State Bank & Trust forwarding a copy of the mortgage rider from and the mortgage for the most recent loan transaction for JP Development, LLP.

Mr. Dobberstein stated since the Airport Authority owns the property on which the JP Development facilities are located (Fargo Jet Center and Weather Modification) the bank requires a mortgage rider signed by the Airport Authority. He stated this rider does not obligate the Airport Authority in any way to the loan in question.

Mr. Kilander moved to authorize the Executive Director to execute the mortgage rider for JP Development, LLP as requested by State Bank & Trust.

Second by Mr. Pawluk.

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

Other Business:

Mr. Dobberstein stated that Attorneys Stewart and Tjon are working on a letter of engagement with EideBailly for their services in conjunction with our ongoing program of financial reviews of our tenants. He stated some may call it an "audit" but we call it a financial review. He stated up for review are the giftshop and the restaurant and he would also like to include the parking lot. He stated the last time these tenants were reviewed was 2002.

Mr. Dobberstein stated since the AAAE Conference in New Orleans falls on the date of our first meeting in June we will be meeting just once in June and that is Tuesday, June 24.

Mr. Jim Sweeney was recognized and stated Fargo Jet Center will be having a grand opening of their newly remodeled facilities on June 11.

Mr. Dobberstein stated our long serving US Customs Agent, Todd Hulsether, will be retiring May 31 and US Customs and Border Patrol will be hosting a retirement party for him on May 28 at 1:00 pm at the Fargo Jet Center.

Chairman Clark stated she has talked with Mr. Dobberstein about setting up a meeting with Mr. Pete Haug on some concerns about the restaurant. She encouraged the other board members to visit the restaurant and form their own opinion on service and appearance. She stated we have heard some complaints lately and there are probably more complaints that we never actually hear. She stated it would not be fair to discuss this without Mr. Haug being present.

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

Time at adjournment was 9:19 a.m.

Regular Meeting

Tuesday

May 27, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, May 27, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held May 13, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held May 13, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$14,168.16:

Mr. Anderson moved to approve the airport vouchers totaling \$14,168.16.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk, Macdonald, Clark voted aye.
Absent and not voting: Kilander
The motion was declared carried.

Received Change Order M-11, Grant's Mechanical, for an Increase of \$3,933.00:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order M-11 to Grant's Mechanical is to install three floor drains in the tug area west addition. He stated these were missed in the original design so Obermiller Nelson took care of the additional work required from TF Powers (concrete removal and replacement) so this change order is just the cost for installation of the piping.

Gen. Macdonald moved to approve Change Order M-11 in the amount of \$3,993.00.
Second by Mr. Pawluk.
All members present voted aye and the motion was declared carried.

Passenger Terminal Construction and West Sidewalk Relocation Update:

Mr. Derek Diers, TL Stroh Architects, was recognized and gave an update on the terminal expansion project. He stated they feel they are still pretty close to schedule as far as opening the new checkpoint and continue working on the north expansion. He stated they are also working on footings for the jetways and other site work on the ramp.

Mr. Jeff Klein, Ulteig Engineers, was recognized and gave an update on the sidewalk project. He stated he thought we would be able to just get bids from a few contractors but after further consideration he decided we should put together some specs so that we have all of the bonding and insurance matters for the contractors in place.

Gen. Macdonald asked since the board does not meet again until June 24 how we can avoid delaying the project.

Mr. Klein stated once he has the bids from three contractors he can provide those to Mr. Dobberstein and he can communicate with the board members on the results of the bids.

Attorney Stewart indicated due to the size of the project that will not be a problem.

Received Request to Lease South General Aviation Hangar and Space in the East Terminal:

The communication from Mr. Dean Atchison, Spectrum Aeromed, dated May 13, 2008, was received and filed without objection.

Mr. Dean Atchison was recognized and distributed a folder of information on Spectrum Aeromed, which is a small company that designs and manufactures air ambulance/air medical equipment and has been located in Wheaton, MN for over 15 years. He stated when he bought the business he did not buy the facility and they are being asked to vacate the premises as the property owner has another use for the building. He stated they have looked for another location and they feel the best location for them is at Hector Airport in Fargo. He stated they feel this change will help to grow and expand their business and serve their customers.

Mr. Atchison stated their business is very specialized and there are probably only four domestic companies and maybe three or four in other countries. He stated their plan is to use the hangar (Hangar #9) as their production facility. He stated the production process is a pretty simple operation and is light manufacturing. He stated their administrative and sales staff would be located in the proposed office space in the East Terminal. He stated at this time they do not do installations but with a location on the airport they may look at expanding into that area in the future.

Mr. Dobberstein stated Mr. Atchison is proposing to lease Hangar #9, which is currently leased to Fargo Jet Center and used as a cargo incubator and for UPS operations during the peak season. He stated we also have a letter of intent from Keller Williams for the space in the East Terminal. He stated before approving this we have to make certain that we can accommodate UPS for their operations. He stated Mr. Jim Sweeney, Fargo Jet Center, has agreed to give up his lease on Hangar #9 and accommodate UPS in either Hangar #3 or #4.

Received Request to Lease South General Aviation Hangar and Space in the East Terminal:
(Continued)

Mr. Dobberstein stated Mr. Atchison's letter indicates a start date on or about September 1 and he is not certain how that works with Mr. Sweeney's schedule. He stated he thinks the bigger challenge will be determining the exact area on the first floor in the East Terminal. He stated included in the space they want is the existing Family Support Office for the National Guard, which has been gratis space we have allowed them to use until the space is needed by a paying tenant. He stated he has contacted the person in that office and they are prepared to vacate with 30 days notice.

Mr. Dobberstein stated he and Mr. Atchison had a conference call with Mr. Tom Schauer, FAA Airports District Office and they support this use of the hangar as they do see an aeronautical component and could justify this use of the hangar. He stated our goal is that a few years after Spectrum is up and operating on the airport they will have plans to be the first tenant in the corporate air park, which is just north of Fargo Jet Center.

Mr. Dobberstein stated they are proposing to lease the north half of the first floor in the East Terminal and it has not yet been determined but it may be possible that some of the open public area may be transformed into office space. He stated the lease rate for the terminal building is set but they are still in the planning stages for improvements and how those will be funded. He added that if the Airport Authority pays for the improvements we would have a separate agreement for repayment of those costs. He stated Spectrum is proposing a monthly lease rate of \$1,500 for Hangar #9 (which is a 50% increase over the current rate of \$1,000 per month) and a 15% increase each year with a five year term.

Gen. Macdonald moved to approve the proposed leases with Spectrum Aeromed for Hangar #9 and office space in the East Terminal to be determined.

Second by Mr. Pawluk.

Members Pawluk, Macdonald, Clark voted aye.

Anderson abstained.

Absent and not voting: Kilander

The motion was declared carried.

Mr. Dobberstein stated he will formally notify Fargo Jet Center of the termination of their lease on Hangar #9. He stated our attorneys will draft a lease for the hangar and we will continue to work with Keller Williams on the space in the East Terminal.

Received Taxiway A Pavement Evaluation:

Mr. Dobberstein stated at the meeting on January 8, 2008, the Airport Authority directed Ulteig Engineers to perform a pavement evaluation on Taxiway A, which received a "very poor" rating on a pavement evaluation study conducted on behalf of the North Dakota Aeronautics Commission.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated in 1998 the pavement evaluation conducted by the ND Aeronautics Commission was performed by Kadrmass Lee & Jackson and those pavements in Taxiway A all received a PCI rating of 75 and in 2006 it was re-evaluated and came in with a rating of 13. He stated you can expect some deterioration over time, especially with the

Received Taxiway "A" Pavement Evaluation: (Continued)

increased use during the construction of Runway 18/36, but it should not be a 62 point drop. The report included comparisons to pavement on the Grand Forks airport which is in much worse condition yet received a more favorable rating.

Mr. Dobberstein stated we will provide this report prepared by Ulteig Engineers to the North Dakota Aeronautics Commission, as they conducted the previous study.

Mr. Klein stated his recommendation is that the Airport Authority plan for the reconstruction of Taxiway "A" within the next five years. He stated the pavement is still very serviceable today and he would give it a 60-65 rating, not a 13. He stated the pavement is 36 years old and has a lot of D-cracking which causes the pavement to crumble after a number of freeze-thaw cycles.

Mr. Pawluk asked if there is some rehabilitation that could be done rather than reconstruction.

Mr. Klein stated there is no rehabilitative measure for D-cracking. He added that by the time you replaced the sections that would need replacing you might as well do a total reconstruction.

Mr. Pawluk asked Mr. Dobberstein what he recommends we do.

Mr. Dobberstein stated he recommends we forward this Ulteig report to the North Dakota Aeronautics Commission and Tom Schauer at the FAA Airports District Office and then not worry about it for a while. He stated he plans to address this in the next five to seven years. He stated he will direct Mr. Klein to send copies of this report to both of them.

Gen. Macdonald recommended sending a copy of this report to the Grand Forks airport as a courtesy.

Received Communication Regarding Plan to Install Fiber Optic Cable:

Mr. Dobberstein stated we received a communication dated April 16, 2008, from Mr. Kent Costin, Director of Finance for the City of Fargo regarding data connectivity and phone system enhancements. Recently the State of North Dakota extended an offer to political subdivisions to participate in the expansion of fiber optic cable to various locations in the city for municipal needs.

Mr. Dobberstein stated the City is currently paying the cost of two T-1 lines to the terminal and then recovering costs by charging airport tenants on a per line basis. He stated initially this fiber optic line would be in addition to the two T-1 lines. He stated if we accept this offer the installation of the fiber optic is free but then there is a monthly fee each month of \$500-\$700. He stated at that point the City will need to make a decision on upgrading their phone system and then we would decide whether or not we would stay on that system. He stated we would also be concerned about the impact on our tenants.

Mr. Dobberstein stated the urgency is that the window of opportunity for this state program is within the next 60 days. He stated he indicated we are interested in fiber as that seems to be what we will be operating on in the future. He stated he thinks it is important to take advantage of this opportunity and get the fiber extended to the terminal. He stated we have been presented with five options and he would recommend Option #5.

After further discussion, Gen. Macdonald moved to approve and proceed with Option #5.

Second by Mr. Anderson.

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

Adopted Resolution of Appreciation for Todd Hulsether, Retiring US Customs Agent:

Mr. Pawluk offered the following resolution of congratulations and appreciation to retiring US Customs Agent, Mr. Todd Hulsether:

WHEREAS, The Municipal Airport Authority of the City of Fargo, North Dakota, has learned of the upcoming retirement of Mr. Todd Hulsether, long serving agent of US Customs and Border Protection, and

WHEREAS, Mr. Hulsether has been an agent with US Customs at the Fargo port since 1987 and has been Fargo's welcome to visitors from all around the globe, and

WHEREAS, Mr. Hulsether has always demonstrated the utmost of professionalism in his position and has extended courtesy to others that is beyond comparison whether it is dealing with local people at Hector Airport or the Prime Minister of the United Kingdom (Margaret Thatcher), and former presidents of the United States, on their stops to clear Customs in Fargo.

NOW, THEREFORE, BE IT RESOLVED, That the Municipal Airport Authority does hereby thank Mr. Todd Hulsether for his many years of dedicated service to US Customs, Hector International Airport, Fargo and the region, and for the important role he played in the outstanding performance by the US Customs Port in Fargo, and does wish him well in his retirement and future endeavors.

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

Second by Mr. Anderson.

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

Airport Construction and Security Update:

Mr. Dobberstein stated the notice to proceed was issued to Northern Improvement for the cargo ramp project and they should be getting started next week.

Mr. Barry Bennett, TSA, was recognized and stated he and Mr. Dobberstein have been working hard to get the TSA to agree to two full lanes at the checkpoint, rather than two x-ray lanes and only one magnetometer. He stated we have the officers to operate that configuration and are hoping to get approval from the TSA.

Other Business:

Mr. Dobberstein stated as a continuation of our tenant financial review program we will be conducting financial reviews on three of our tenants, The Barnstormer, Airport Giftshop and Standard Parking.

Mr. Dobberstein stated we have received Mr. John DeCoster's first draft of the airline lease and operating agreement.

Chairman Clark expressed congratulations on behalf of the board to Mr. Shawn Dobberstein on receiving the 2008 Community Leadership Award from the North Dakota Chamber of Commerce.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, June 24, 2008 at 8:00 a.m.

Time at adjournment was 9:02 a.m.

Regular Meeting

Tuesday

June 24, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, June 24, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting Held May 27, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held May 27, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$35,394.92:

Gen. Macdonald moved to approve the airport vouchers totaling \$35,394.92.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander voted aye.
Absent and not voting: Clark
The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,091.40 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, AIP33.
Second by Mr. Pawluk.
On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander voted aye.
Absent and not voting: Clark
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,334.00 to Sixel Consulting for May passenger boarding fees (Allegiant - \$2,262.00, Frontier - \$4,072.00).

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to EideBailly:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,100.00 to EideBailly for payment request for PFC audit for calendar year 2007, Project APFC06.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to EideBailly:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,334.00 to EideBailly for payment request for the audit of AIP Grants 32 and 33.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to T.F. Powers Construction:

Mr. Anderson moved to approve the individual voucher in the amount of \$357,010.00 to TF Powers Construction for Payment Request #20 for general construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Grant's Mechanical:

Mr. Anderson moved to approve the individual voucher in the amount of \$97,290.00 to Grant's Mechanical for Payment Request #19 for mechanical construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Mr. Anderson moved to approve the individual voucher in the amount of \$75,262.81 to Bergstrom Electric for Payment Request #19 for electrical construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,452.90 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Expansion, Project AIP34.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,878.04 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project (APFC07 - \$318.00, AIP33 - \$7,560.04).

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$9,303.72 to Flint Communications for partial payment request for the 2008 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Frontier Airlines:

Mr. Anderson moved to approve the individual voucher in the amount of \$5,191.56 to Frontier Airlines for Partial Payment Request #1 for coop marketing reimbursement.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Interoffice:

Mr. Anderson moved to approve the individual voucher in the amount of \$189,855.12 to Interoffice for Partial Payment Request #4 for departure lounge furniture, Terminal Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Passenger Terminal Project Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the terminal building project. He stated they have a target date of July 14 for the TSA to have their equipment installed in the checkpoint area.

Received Calendar Year 2007 PFC Program Audit Report:

Mr. Dobberstein stated we received the report from EideBailly on the audit conducted on the Passenger Facility Charge program for calendar year 2007 and their findings were that the Airport Authority complied, in all material respects, with the requirements that are applicable to the passenger facility charge program for the year ended December 31, 2007.

The report was received and filed without objection.

Received Communication from the ND Aeronautics Commission Regarding 2008 Grant Awards;

Mr. Dobberstein stated the North Dakota Aeronautics Commission has advised us of state grant awards totaling \$323,806.00 for the following projects:

- Purchase RPZ and centerline for future runway 18/26
- FAA 2008 AIP#34, construct cargo apron expansion
- Rehab runway markings
- Terminal area remodel EDS baggage space
- Airfield de-icing unit, storage tanks
- Terminal expansion, modification with FAA AIP #32/33

The communication dated June 11, 2008, was received and filed without objection.

Receive Communication from the City of Fargo Regarding Sanitary Sewer Project:

Mr. Dobberstein stated we received a letter from the City of Fargo Engineering Department dated June 19, 2008 regarding a proposed easement for sanitary sewer infrastructure.

The communication was received and filed without objection.

Mr. Dobberstein stated this is just for informational purposes at this time. He stated they provided a proposed route for the sewer line but he stated he has some different ideas about what we will allow. He stated the proposed construction easement will be 50' and the permanent easement will be 20'.

Mr. Pawluk stated the letter refers to "land acquisition" but since we will not be selling the land but probably granting an easement and we should insist that we are responsible for no special assessments on the improvement. He stated we also need to insist that the method of excavation returns the black top soil on top after the project is complete.

Received Communication Regarding an Assignment of Ground Lease for JP Development, LLC:

Mr. Dobberstein stated we have received a request for an Assignment of Ground Lease and Mortgage Rider from JP Development to Dakota Certified Development Corporation.

Attorney Stacey Tjon stated she has reviewed the documents and they are in order and can be signed by the Airport Authority. She stated these are the same documents the Airport Authority approved for State Bank & Trust.

The communication was received and filed without objection.

Authorized Attendance at the AAE Energy/Air Service Summit, July 9-10, 2008, Washington, DC:

Gen. Macdonald moved the Executive Director be authorized to attend the AAE Energy/Air Service Summit, July 9-10 in Washington, DC.

Second by Mr. Anderson.

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

Airport Construction and Security Update:

Mr. Jeff Klein, Uteig Engineers, was recognized and stated the sidewalk project in front of the terminal building should be completed by July 1. He stated they have had some weather delay on the air cargo ramp expansion project.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 8, 2008 at 8:00 a.m. in the Airport Boardroom.

Time at adjournment was 8:30 a.m.

Regular Meeting

Tuesday

July 8, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 8, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held June 24, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held June 24, 2008 were approved without objection.

Approved the Airport Vouchers Totaling \$18,962.99

Mr. Kilander moved to approve the airport vouchers totaling \$18,962.99.
Second by Mr. Anderson.
On the call of the roll, members Kilander, Anderson, Macdonald, Clark voted aye.
Absent and not voting: Pawluk
The motion was declared carried.

Approved the Individual Voucher to Northern Improvement:

Gen. Macdonald moved to approve the individual voucher in the amount of \$168,648.80 to Northern Improvement for Partial Payment Request #1 for construction of Air Cargo Apron Expansion Project, AIP34.
Second by Mr. Anderson.
On the call of the roll members Kilander, Anderson, Macdonald, Clark voted aye.
Absent and not voting: Pawluk
The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$700.00 to Hanson Design Associates for payment request for architectural services in connection with the airport entrance road concept.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$2,400.00 to Ulteig Engineers, Inc. for payment request for Taxiway A Pavement Evaluation Study.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Contemporary Concrete:

Gen. Macdonald moved to approve the individual voucher in the amount of \$29,838.55 to Contemporary Concrete for Payment Request #1 for the terminal sidewalk project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Midwest Testing:

Gen. Macdonald moved to approve the individual voucher in the amount of \$944.10 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, Project AIP33.

Second by Mr. Anderson.

Absent and not voting: Pawluk

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 \$106,728.30 to Grant's Mechanical for Partial Payment Request #20 for mechanical construction of the Terminal Expansion Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$66,067.75 to Bergstrom Electric for Partial Payment Request #20 for electrical construction in connection with the Terminal Expansion Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

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 \$538,361.20 to TF Powers Construction for Partial Payment Request #21 for general construction of the Terminal Expansion Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

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 \$2,278.00 to TL Stroh Architects for payment request for architectural services in connection with the Terminal Expansion Project.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$12,253.84 to Ulteig Engineers, Inc. for Partial Payment Request for engineering services in connection with the Air Cargo Apron Expansion, Project AIP34.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,470.72 to Flint Communications for payment request for the 2008 airport marketing program.

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$8,950.00 to Sixel Consulting for payment request for passenger enplanement fees for June (\$6,036 – Frontier, \$2,644 – Allegiant).

Second by Mr. Anderson.

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

Absent and not voting: Pawluk

The motion was declared carried.

Received Change Order G-27, TF Powers Construction, for an Increase of \$529.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated this change order is for some new locksets for doors in the TSA space. He stated we originally tried to use the same hardware but were not able to do that.

Mr. Anderson moved to approve Change Order G-27 in the amount of \$529.00 to TF Powers Construction.

Second by Mr. Kilander.

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

Received Change Order Request from Contemporary Concrete for a Deduct of \$500.00, Terminal Sidewalk Project:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated this change order for a deduct of \$500.00 is for the deletion of some annual flowers in the sidewalk area. He stated these were specified in the project but the Fargo Park District had enough flowers for planting in that area.

Gen. Macdonald moved to approve the change order from Contemporary Concrete for a deduct of \$500.00 for the Terminal Sidewalk Project.

Second by Mr. Anderson.

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

Received Second Quarter 2008 PFC Report:

The PFC report for the second quarter of 2008 was received and filed without objection.

Received Communication from Keller Williams Regarding an Extension to their East Terminal Agreement:

Mr. Dobberstein stated we received a communication dated July 1, 2008 from Mr. Gerry Gilmour, Keller Williams Roers Realty, requesting an extension to their exclusive listing agreement for the East Terminal. He stated this agreement will be the same format as prior and would extend the agreement through December 31, 2008. He stated he would recommend this extension.

The communication was received and filed without objection.

Mr. Kilander moved to approve the extension of the exclusive listing agreement with Keller Williams Roers Realty through December 31, 2008.

Second by Mr. Anderson.

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

Reviewed Spectrum Aeromed Office Plan for East Terminal:

Mr. Dobberstein stated that Mr. Dean Atchison, Spectrum Aeromed, and Mr. Jed Krieg, Olaf Anderson & Son, are here today to present their plans for remodeling to the East Terminal office space to be leased by Spectrum Aeromed.

Mr. Jed Krieg was recognized and stated it is going to be a fairly simple remodel. He stated right now they are still in the estimating stages.

Mr. Dobberstein stated we will not have to displace the North Dakota National Guard Family Support office. He stated Spectrum will be moving into the space formerly occupied by Dakota Air Parts and some of the space currently being used by Shaw Construction.

Mr. Atchison indicated at this time it is their intention to fund the improvements.

Mr. Dobberstein stated they have provided Olaf Anderson & Son a copy of the comprehensive asbestos report on the building.

Mr. Krieg stated they are working with Legend Technologies.

Mr. Dobberstein stated Spectrum Aeromed will be a nice addition to the East Terminal.

Reviewed Spectrum Aeromed Office Plan for East Terminal: (Continued)

Mr. Kilander moved to approve the plans by Spectrum Aeromed for renovations to office space in the East Terminal as presented by Olaf Anderson & Son.

Second by Gen. Macdonald.

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

Anderson abstained.

Absent and not voting: Pawluk

The motion was declared carried.

Received Communication from Idea One Regarding Easement for Fiber Optic Cable:

Mr. Dobberstein stated this item will be tabled as the communication was not received.

Airport Construction and Security Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave a report on the terminal expansion project. He stated it does not look like we are going to make the July 14 date for the TSA to have their equipment installed in the new checkpoint area. He stated they are continuing to make progress and should not be far off that date.

Mr. Dobberstein stated based on the payment requests approved today the project is about 88% complete.

Mr. Stroh stated we have had some problems with the car rental counters which were refaced and the existing doors were left in place. He stated the doors are actually part of the counter and are too heavy for the rollers and continue to wear down the terrazzo floor. He stated they are going to look at some changes to those counter doors.

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the air cargo apron project has been delayed somewhat by weather. He stated they are still working on the base and should start pouring concrete next week. He added that there are just a few punch list items left on the sidewalk project.

Other Business:

Mr. Dobberstein stated he has been continuing discussions on the coffee/food service in the post security/departure lounge area. He stated our giftshop operator, Kevin Clapp, has shown a lot of interest in that service. He stated he already handles the vending machines in the departure lounge. He stated from an airport administration/operations standpoint the board needs to weigh in and understand that the giftshop/novelty operation is one concession at the airport and the food vendor is another. He stated if the vendor operating the food service in post security area is not the

Other Business: (Continued)

same vendor operating the restaurant in the public area it will have a devastating effect. He stated we might consider having just a temporary cart service with coffee, etc. in the post security area until such time as the restaurant lease comes up for bid, which is at the end of 2010*. He stated he briefly discussed the matter briefly with Mr. John DeCoster, Trillion Aviation, who is working on the food concession contracts for three airports in the region. He stated some of the smaller airports are sensitive to that issue as it does have such a devastating effect on the restaurant operator. He stated he thinks we still need some time to research this, but the sensible approach seems to be have something temporary until the restaurant contract comes up for bid at the end of 2010* and have restaurant operator handle both operations. (*Correction from 2009 to 2010 made in July 22 minutes.)

Mr. Dobberstein stated he met with the City of Fargo Engineering Department regarding the proposed sanitary sewer improvements and the easements they will be requesting. He stated their original plans showed the lines cutting across the airfield but they are now working on plans to reroute those proposed lines.

Mr. Dobberstein stated for the past couple of years our maintenance staff has been evaluating light mowers for our irrigated lawn areas. He stated the staff has decided on a Grasshopper mower from Fargo Tractor for \$9,200, which is in our budget.

Mr. Dobberstein stated that June 2008 was the busiest month on record for the airport.

Mr. Dobberstein stated he is leaving for Washington, DC this afternoon to attend the AAEE Energy Summit, at which Senator Dorgan is one of the keynote speakers as he is their prime contact in the Senate.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, July 22, 2008

Time at adjournment was 8:33 a.m.

Regular Meeting

Tuesday

July 22, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 22, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Gen. Macdonald, Chairman Protem, presiding.

Elected Chairman Protem:

Mr. Anderson moved to elect Gen. Macdonald Chairman Protem for the July 22, 2008 meeting of the Municipal Airport Authority.

Second by Mr. Pawluk.

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

Approved the Minutes of the Regular Meeting Held July 8, 2008:

One correction to the minutes was noted, Page 74 under Other Business. The date the Barnstomer lease expires is December 31, 2010 rather than 2009.

The minutes were approved as corrected.

Approved the Airport Vouchers Totaling \$27,560.00:

Mr. Anderson moved to approve the airport vouchers totaling \$27,560.00.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Received Update Regarding Proposed Sanitary Lift Station and Associated Easements for the Sanitary Sewer Projects Planned on Airport Property:

Ms. Brenda Derrig, City of Fargo Engineering Department, was recognized and also introduced Mr. Ben Dow, City of Fargo Engineering, Mr. Eric Dodds, Advanced Engineering, and Mr. Rick Gunderson and Mr. Nick Privula, Houston Engineering.

Ms. Derrig stated the reason for their visit today is to give the Airport Authority an update on the west side interceptor sewer construction and the upcoming sanitary sewer projects as they involve easements on airport property.

Mr. Dodds was recognized and gave a brief overview on the proposed collection system improvements which should serve the needs of the city for 25 years and beyond.

No action was required as this was just an overview of the project.

The information on the proposed projects was received and filed without objection.

Reviewed Proposed Entrance Road Landscape Project:

Mr. Dobberstein introduced Mr. Scott Liudahl, City Forester, and Mr. Jim Hanson, Hanson Design Associates.

Mr. Liudahl was recognized and stated several years ago a ten year overall plan was put together for various landscaping components at the airport (shelterbelts, plantings, etc.). He stated Mr. Jim Hanson was involved in that process and he will present this proposed plan for the entrance to the airport.

Mr. Hanson was recognized and stated shortly after the terminal opened there was a group of spruce trees planted at the entrance to the airport at the corner of 19th Avenue and our plan is to work around those existing spruce trees. He stated the goal is to improve the visibility of the airport entrance. He stated it is their plan to supplement the existing spruce trees with some color and flowering trees and put edging around the area. He stated they are also proposing a modular block wall incorporating a sign with the airport's logo and name. He stated there would be a low tiered wall which would contain plantings and then a higher wall with the logo and name.

Mayor Walaker suggested the wall be higher so that it is visible above drifting snow.

Mr. Anderson stated he thinks the concept is outstanding. He stated he thinks the bigger the letters on the sign the better.

Chairman Macdonald suggested the lighting be done so that snow can be removed in front of the sign.

It was the consensus of the board members that they approved of the concept and will await an updated design incorporating the changes discussed (lighting, increased height of sign for visibility during snow season, and Concept #2 was the favored sign configuration).

Received Report from Eide Bailly Regarding 2007 Tenant Financial Reviews:

Mr. Dobberstein stated we have not received the actual printed reports from Eide Bailly but he has received the results and findings from the financial reviews conducted on the Airport Giftshop, Barnstormer and Standard Parking. He stated all three reviews came back with no findings. He stated all of the transactions they tested for CY 2007 were in order.

Mr. Dobberstein stated we will have the report to receive at the next meeting.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and gave an update on the passenger terminal expansion project. He stated the canopy area is almost completed. He stated they are working on a punch list for the north addition. He stated the TSA is starting to move their equipment into the new checkpoint area. He stated the exterior paving is complete.

Mr. Stroh stated they are continuing to work with Milliken on the problem with the carpet. He stated the squares were cut at the factory with a blade that was dull so that is why the edges are somewhat frayed. He stated Milliken wants us to install the carpet first and they will fix the problem after that. He stated they have guaranteed that if we are still not happy with the carpet they will replace all of it. He stated Milliken is an excellent company and they will stand behind their product.

Received Update Regarding East Terminal:

Mr. Dobberstein stated Keller Williams has a signed letter of intent from the FAA Airways Facilities for office space in the Eastside Terminal for occupancy October 1. He stated the space they would like is the office space just vacated by Agri-Imagis. He stated the space will need to be updated with paint and new carpet and we have a proposal from Sam Heppner Construction for the general construction and have been working with Fargo Linoleum on the carpet. He stated there are also two small offices which have ceiling tiles that contain asbestos so we will be having those tiles removed by Horsley Specialties and replaced. He stated estimate for all of these improvements will be around \$10,000. He stated Heppner will also be framing a small storage area on the first floor for our maintenance staff at a cost of \$1,700.

Mr. Anderson moved to approve the proposed improvements to office space and storage area in the Eastside Terminal.

Second by Mr. Pawluk.

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

Received Update Regarding Idea One Easement to Install Fiber Optic Cable:

Mr. Dobberstein stated we did receive a black and white aerial photo of Idea One's proposed route for installing fiber optic cable for the terminal building. He stated Attorney Stewart will be putting together an easement for this installation.

Mr. Pawluk asked if we will receive "as built" drawings for this project.

Received Update Regarding Idea One Easement to Install Fiber Optic Cable: (Continued)

Mr. Dobberstein stated we will get an updated aerial photo which will be a more formal document to be attached to the easement.

Mr. Pawluk stated that so many times he sees where a contractor is authorized to put something in the right of way in one location but it is actually installed in another location.

Attorney Stewart stated that is supposed to be handled by permit with the City of Fargo.

Mr. Dobberstein stated this was just an update on the proposed route so no action is required.

The information from Idea One was received and filed without objection.

Received Communication Regarding Foreign Trade Zone Project:

The communication from Mary Bowman, Logistics Manager for CNH America, LLC dated July 14, 2008 was received and filed without objection.

Mr. Dobberstein stated a few years ago the Airport Authority partnered with the Greater Fargo-Moorhead Economic Development Corporation to create a Foreign-Trade Zone as one way to retain companies like CNH and also to attract new companies to the area. He stated CNH has retained the services of IMS Worldwide, Inc. to assist them in the FTZ Manufacturing Application and Activation process.

Ms. Bowman was recognized and stated this is a win win situation for everyone and especially for CNH. She stated this will help CNH by saving them money on duty and will help with continued growth and hopefully increase their market share in the world. She stated this is their initial experience with a FTZ.

Mr. Dobberstein at some point in the near future we will bring forth an operator's agreement with CNH, which is being put together by our FTZ consultant, Foreign-Trade Zone Corporation.

Mr. Dobberstein stated there is a cost to do all of this and he is not certain of the costs at this time. He stated while the Authority never intended the FTZ to be a revenue source we are looking to break even on the venture through fees to the participating companies. He stated once the FTZ is up and running it will be the Airport Authority's responsibility to provide quarterly reports on activity to the Foreign-Trade Zone Board and a much more extensive annual report. He stated all of the data in those reports will be verified by the Foreign-Trade Zone Corporation as our consultant.

Mr. Pawluk moved to approve the request from CNH America LLC to activate their FTZ project in Fargo.

Second by Mr. Anderson.

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

Received Preliminary CY2009 Operations & Maintenance and Improvement Fund Budgets:

Mr. Dobberstein reviewed the proposed Operations & Maintenance and Improvement Fund Budget for CY 2009.

Mr. Anderson moved to approve the preliminary CY2009 Operations & Maintenance Budget and the Improvement Fund Budget.

Second by Mr. Pawluk.

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

Chairman Macdonald stated he has asked Mr. Dobberstein to prepare for a future meeting a summary of our bonds and the amounts and dates that we are able to pay principal early.

Certify Mill Levy to the Board of City Commissioners for 2009 Improvements, Per Section 2-06-14 of the North Dakota Century Code:

Mr. Anderson moved to certify to the Board of City Commissioners a mill levy amount of \$610,000 not to exceed 2.0 mills, as per Section 2-06-14 of the North Dakota Century Code.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander, Clark

The motion was declared carried.

Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated they have been dealing with weather delays on the air cargo ramp expansion project but Northern Improvement plans to start pouring concrete this week.

Mr. Barry Bennett, TSA, was recognized and stated the process of moving equipment to the new checkpoint is going well.

Other Business:

Mr. Dobberstein introduced Ms. Lisa Hirsch, Lynx Aviation, station manager for Frontier Airlines.

Mr. Dobberstein stated he has been contacted by the Fargo Air Museum regarding a proposal for a cold storage building at the northwest corner of the Air Museum. He stated there will be a proposal before the board at a meeting in the near future.

Other Business: (Continued)

Chairman Macdonald stated in light of the fact that the current restaurant lease is not up for renewal for another 30 months he feels the Authority needs to write a letter to Mr. Pete Haug and convey to him that if he is not willing to place a "coffee bar" in the post security departure lounge that we will begin negotiations with someone else to do that. He stated he feels that coffee and limited food items offered in the departure lounge will have a dramatic impact on his business even if it is only coffee and rolls.

Mr. Pawluk asked if Mr. Haug wants to be in the restaurant business at the airport.

Chairman Macdonald stated we need to find that out.

Mr. Dobberstein stated Mr. Haug declined the opportunity to have the vending machines in the departure lounge. He stated he can guarantee that the problem with The Barnstormer will be reliability of the staff to be there every morning to serve the early morning flights. He stated he may agree to do it but reliability will be the problem.

Mr. Anderson asked if Mr. Dobberstein thinks we could find someone who would do it.

Mr. Dobberstein stated we have had others show interest. He stated the restaurant lease does not have exclusive rights to food service in the terminal but because of the effect this would have on the restaurant we felt it would be fair to give him the opportunity.

After further discussion, it was decided that the matter will be on the agenda for the next meeting and send a letter to Mr. Haug advising him.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 12, 2008 at 8:00 a.m.

Time at adjournment was 9:47 a.m.

Regular Meeting

Tuesday

August 12 , 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, August 12, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority held July 22, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held July 22, 2008, were received and filed without objection.

Approved the Airport Vouchers Totaling \$37,641.23:

Mr. Kilander moved to approve the airport vouchers totaling \$37,641.23.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$1,673.90 to Midwest Testing for payment request for testing services, Terminal Expansion Project, AIP33.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 quarterly airline report.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$9,892.00 to Sixel Consulting for passenger enplanement fees – July (Frontier - \$7,314.00, Allegiant - \$2,578.00).

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$254,885.00 to TF Powers Construction for Partial Payment Request #22 for general construction of Terminal Expansion Project.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$26,397.00 to Grant's Mechanical for Partial Payment Request #21 for mechanical construction of Terminal Expansion Project.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$105,047.20 to Bergstrom Electric for Partial Payment Request #21 for electrical construction of Terminal Expansion Project.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Northern Improvement:

Gen. Macdonald moved to approve the individual voucher in the amount of \$372,854.96 to Northern Improvement for Partial Payment Request #2 for construction of Air Cargo Apron Expansion, Project AIP34. (Amount originally on agenda was \$325,749.47).

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,477.30 to Flint Communications for partial payment request for 2008 airport marketing program.

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$20,683.80 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Expansion, Project AIP34.

Second by Mr. Anderson.

On the call of the roll, members Kilander, Anderson, Pawluk, Macdonald, Clark 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 \$8,704.65 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project, APFC07 (\$249.27) and AIP33 (\$8,158.38).

Second by Mr. Anderson.

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

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

Approved the Individual Voucher to Hanson Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$490.00 to Hanson Design Associates for partial payment request for architectural services in connection with the entrance road landscape plan.

Second by Mr. Anderson.

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

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

Received Change Order E-25 to Bergstrom Electric for an Increase of \$1,924.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated this change order is for the electrical portion of the work to move a makeup air unit outside rather than its original interior location. The mechanical portion of this change resulted in a deduct of \$1,500.00.

Mr. Kilander moved to approve Change Order E-25 to Bergstrom Electric for an increase of \$1,924.00.

Second by Mr. Pawluk.

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

With a consensus of the board members, the agenda order was changed and Item #7 was moved for discussion next.

Discussed Possible Post Security Departure Lounge Concessions:

Mr. Dobberstein stated present at today's meeting is Mr. Pete Haug, The Barnstormer, and Mr. Kevin Clapp, who along with his wife, Sheryll, operate the Airport Giftshop and the vending concessions in the departure lounge. He stated Mr. Haug's lease expires 12-31-2010 and his lease does not give him exclusive right to food/beverage concessions in the terminal. He stated after study of airports our size and the effect post security food/beverage concessions have on the public side/full service restaurant it would be tough not to have the same operator handle both operations. He stated first we have to make certain Mr. Haug wants to handle the post security concessions. He stated the Clapps have expressed interest in the post security food concessions and he has also received a letter of interest from Dean and Molly Kling.

Mr. Dobberstein stated he has looked at a lot of coffee kiosks at different airports and he has some pictures available. He stated there is one kiosk in Chicago that is not very large in size but they offer quite a few items. He stated they have a circular kiosk in the Appleton, WI airport and after only two months they surpassed the revenue of the full service restaurant.

Mr. Dobberstein stated that when The Barnstormer lease expires in 2010 we will be taking proposals and at that time we will require the operator to handle both the public and the post security food/beverage service but right now we have to come up with a solution for the interim. He stated there will be minimal expense to set up the counter. He stated he feels the immediate need is for coffee, rolls, muffins, cookies, with other items such as sandwiches, fruit, etc. to come later. He stated for this interim period he would like this service to not infringe upon the service already provided by Mr. Clapp in the vending machines.

Mr. Kilander stated he feels the first decision the board needs to make is whether or not they feel this is a necessary and important service to be provided to the traveling public.

Mr. Anderson stated the expansion project included plumbing rough-ins for such a facility in two different locations so he would concur that it is important.

Mr. Pawluk stated he feels it is an expectation of the traveling public.

Gen. Macdonald and Chairman Clark both indicated they agree.

Discussed Possible Post Security Departure Lounge Concessions: (Continued)

Mr. Kilander stated he agrees we have some responsibility to the current restaurant operator so it would behoove us to at least present this opportunity to provide this service to Mr. Haug if he is interested and can meet the requirements.

Mr. Dobberstein stated our current airline schedule has 5:00 am departures six days a week and the operator will need dedicated employees that will show up and be open by 4:00 am to provide that service. He stated the operator will have to be prepared for busy periods and also periods when the checkpoint may be closed and there are no passengers in the departure lounge. He stated he sees this as a commitment on the part of the operator because once the service is offered the passengers will expect it to be there at all times. He stated the employees will also have to successfully pass a background check.

Gen. Macdonald stated because of the dramatic impact this will have on The Barnstormer he thinks it is up to Mr. Haug to make the decision as to whether he wants it or not. He stated if he does want it then the discussion is over. He stated we cannot wait until the end of 2010 to do something and he feels the two operations should be the same vendor.

Mr. Kilander stated people will need to go in with their eyes open as to what is expected. He stated he does not necessarily think it would have to be the same vendor but there would appear to be a compelling argument that it would be logical.

Mr. Pawluk stated maybe Mr. Haug would like to accelerate the date that his restaurant lease expires.

Mr. Haug was recognized and stated he is not interested in changing the terms of his lease. He stated he is definitely interested in the post security service and he feels they are probably the most logical provider of that service. He stated Mr. Dobberstein addressed labor issues and those will always be a problem but if someone does not show up they have other staff members from which to draw in those instances. He stated he feels they can do an adequate job.

Mr. Dobberstein stated if Mr. Haug does have the post security food service we will have to address any restrictions on competition with the Giftshop and what they are currently selling in their vending machines (beverages, chips, snacks, candy bars).

Mr. Kilander stated, for the purpose of review, that when the need for vending machines in the departure lounge came up Mr. Haug was offered that opportunity and he was not interested. He stated it was at that time that Mr. Clapp made the investment in the vending machines and stepped up to provide that service for us. He stated he thinks it would be reasonable on the part of the Authority to limit the service by Mr. Haug so as not to infringe on what Mr. Clapp is presently providing.

Mr. Haug stated he would certainly respect that.

Mr. Kevin Clapp was recognized and stated he did not sign a lease specific to the vending machines other than their lease for the giftshop so he assumed he would be able to operate those as long as he had the giftshop lease. He stated he made an investment of the purchase of the vending machines and he would like to protect his sales of the cold drinks.

Gen. Macdonald stated he does not want a situation where someone stands in line for ten minutes to buy something to eat and then finds out they can't buy what they want to drink at the counter but they have to go to a vending machine.

Discussed Possible Post Security Departure Lounge Concessions: (Continued)

Mr. Pawluk stated he is undecided on whether or not we should put restrictions on either party.

Mr. Anderson stated Mr. Haug has stated that he would not provide items that would be in competition with the existing vending machines.

Mr. Pawluk stated he is inclined to agree with Gen. Macdonald as far as not allowing passengers to purchase a cold beverage at the kiosk but making them go to the vending machine for part of their purchase.

Mr. Anderson moved that the Authority contract with Mr. Haug to operate the post security food service kiosk and that the limitations discussed with regard to competition with the existing vending machines be implemented, and that he comply with all requirements regarding personnel, operating hours, etc.

Motion failed for lack of a second.

Mr. Pawluk stated he would rather see Mr. Haug submit a proposal to the board before we approve this.

Mr. Anderson stated he would also like Mr. Haug to work with Mr. Dobberstein and TL Stroh Architects on what will physically be at the location.

Mr. Pawluk moved that Mr. Haug work with the Executive Director on a proposal for the post security food service kiosk and that any contract have the same expiration date as his current restaurant lease (12-31-10).

Second by Mr. Kilander.

Mr. Anderson asked Mr. Clapp if he had any comments.

Mr. Clapp stated his concern is that since he has made an investment in the vending machines he would like some protection. He stated he would not want to see his sales drop 75% and he feels that would be like the Authority saying "thanks for helping us out but we don't need you anymore."

Gen. Macdonald stated at the future point in time when the new restaurant lease is in place, which will include the post security food service, he wants a passenger to be able to walk up to that counter and buy whatever they want. He stated it is possible at that time we will have to address that issue and possibly the new restaurant operator buying out the vending machine operation from Mr. Clapp.

Mr. Kilander stated he agrees our ultimate goal should be to make it as easy as possible for the traveling public. He stated that is a bridge we will need to cross in 2010.

Chairman Clark called for a vote on the motion.

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

Mr. Dobberstein stated the Clapps have done a wonderful job with the giftshop operation and asked Mr. Clapp to tell the board a little bit about his sales volumes since the remodel of the giftshop.

Mr. Clapp stated in June and July they have seen sales increases of about 48% over the same period last year.

Mr. Dobberstein stated we should have our investment in the remodel back in just a few months.

Passenger Terminal Project Update:

Mr. Derek Diers, TL Stroh Architects, was recognized and gave an update on the terminal expansion project. He stated the new checkpoint is open and fully operational. He stated there are still a few punch list items on the north addition in the tug concourse area and the break room. He stated they are also working on the former checkpoint and finishing that area. He stated they are also working on the remodeling work in the east departure lounge.

Mr. Dobberstein stated there is still some concern over some of the linear lights and the fact that they are not straight.

Mr. Diers stated they did meet with the manufacturer's representative along with Bergstrom Electric. He stated the actual housing of the fixture is bowing and it was not a problem with the installation. He stated they are looking for direction from the board on how many of the lights are acceptable and which are not acceptable.

Mr. Dobberstein stated he does not like how they look but the board members may have a different opinion.

After further discussion the board members directed the Executive Director to send a letter to TL Stroh indicated our dissatisfaction with the lights.

Received Tenant Financial Review Reports from EideBailly:

Mr. Dobberstein stated that we engaged the services of EideBailly to conduct financial reviews of The Barnstormer, Airport Giftshop, and Standard Parking. He stated all of the reviews came back with no findings.

The reports for the three financial reviews were received and filed without objection.

Mr. Anderson now absent.

Reviewed Proposed Storage Addition for the Fargo Air Museum:

Mr. Dobberstein stated the board members have been provided with plans for a proposed storage addition (24' x 36") to the Air Museum. He stated he has met with Mr. Stewart Bass and Mr. Carlo Diccico representing the museum.

Mr. Dobberstein stated if the board approves this addition the Authority might have to deduct from our PFC funds the value of the concrete on which that building would be built, as the area would no longer provide public access to aircraft. He stated the ramp was not constructed with federal funds but we did recover our costs through PFC funds.

Mr. Pawluk stated he would like to make certain that the roof line and profile match the roof of the existing building as much as possible. He stated he cannot tell from this drawing if that has been accomplished but that is what he would like to see. He stated the addition as shown on the drawing

is not a very attractive structure. He stated he does want to give the Air Museum every opportunity to move ahead with their plans.

Regular Meeting Held August 12, 2008

Page No. 88

Reviewed Proposed Storage Addition for the Fargo Air Museum: (Continued)

Gen. Macdonald moved to approve the concept of the addition and that the Executive Director be authorized to work with the Air Museum on the project.

Second by Mr. Pawluk.

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

Considered Request to Extend Farm Land Lease Agreement:

Mr. Dobberstein stated that Mr. Bill Borgen, one of our tenant farmers, is interested in taking advantage of a minimum tillage Farm Service program that would pay him about \$14-\$16 per acre, but in order for him to take advantage of the program he would have to have a two year extension on his lease with us. He stated Mr. Borgen currently pays about \$76.00 per acre plus he pays the property taxes. He stated our only other private tenant is R & T Stenerson Farms.

Mr. Dobberstein stated our average rent per acre is about \$76 and we are in the second year of a three year term. He stated if we were to rebid our leases today he has no doubt that we would get in excess of \$100 per acre. He stated we do have some restrictions on crops such as sunflowers and corn. He asked the board members if they would be interested in considering such an extension.

Gen. Macdonald stated he feels the amount per acre should be renegotiated on any extension.

Mr. Pawluk stated he would be interested in receiving a proposal on an adjusted rate comparable to the current market.

Mr. Dobberstein stated we would also have to extend the same offer to Stenerson.

Mr. Dobberstein stated Mr. Borgen indicated if he were to be granted the extension he would make some drainage improvements to the land.

Mr. Dobberstein stated he will contact Mr. Borgen and direct him to submit a proposal.

Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated Northern Improvement is continuing progress on the Air Cargo Apron Expansion. He stated they have finished the concrete base and after the rain delay last week they should start pouring next week. He stated they may not make the September 1 completion date but he has already discussed that with Mr. Dobberstein.

Mr. Klein stated after the terminal sidewalk project was completed the irrigation system was on too much in order to keep the sod alive and there were some water puddles forming on the sidewalk. The irrigation system has now been adjusted so we haven't had problems with the puddles anymore, until the three inches of rain we received.

Mr. Pawluk stated it is obviously a problem with the sidewalk and not the irrigation system, otherwise the entire sidewalk area would be under water.

Mr. Klein stated he would look further into the problem.

Other Business:

Mr. Dobberstein stated Mr. John DeCoster, Trillion Aviation, is continuing to work on our airline lease and operating agreements, along with Attorneys Stewart and Tjon and we should have a draft agreement soon.

Mr. Dobberstein stated July 2008 was our all time boarding record with 32,385 passengers, which is 17% up over last July and 8% up overall for 2008 YTD.

Mr. Dobberstein stated he sent some information to the board members on the internet advertising on the City of Fargo's website. He stated we do have money in our advertising budget for this and he will poll the board members for their opinion before moving ahead with that.

Mr. Dobberstein stated the FAA Airway Facilities is looking a leasing space in the East Terminal effective October 1. He stated they did have space in the East Terminal previously but had moved their offices to the tower building.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 9, 2008. (August 26 meeting was cancelled due to lack of quorum.)
Time at adjournment was 9:03 a.m.

Regular Meeting

Tuesday

September 9, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 9, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held August 12, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held August 12, 2008 were approved without objection.

Approved the Airport Vouchers Totaling \$87,860.34:

Gen. Macdonald moved to approve the airport vouchers totaling \$87,860.34.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Fargo Jet Center:

Mr. Anderson moved to approve the individual voucher in the amount of \$9,950.00 to Fargo Jet Center for coop marketing.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Legend Technical Services:

Mr. Anderson moved to approve the individual voucher in the amount of \$750.00 to Legend Technical Services for payment request for technical services in connection with the East Terminal ceiling tile removal project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Midwest Testing:

Mr. Anderson moved to approve the individual voucher in the amount of \$480.00 to Midwest Testing for payment request for testing services in connection with the Terminal Expansion Project, North Addition, AIP33.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Flint Communications:

Mr. Anderson moved to approve the individual voucher in the amount of \$7,403.12 to Flint Communications for payment request for 2008 airport marketing program.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Northern Improvement Company:

Mr. Anderson moved to approve the individual voucher in the amount of \$489,285.76 to Northern Improvement Company for Partial Payment Request #3 for construction of Air Cargo Apron Expansion, Project AIP34.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to TL Stroh Architects:

Mr. Anderson moved to approve the individual voucher in the amount of \$3,934.50 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project.

Second by Mr. Kilander.

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

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

Regular Meeting Held September 9, 2008

Page No. 92

Approved the Individual Voucher to TF Powers Construction:

Mr. Anderson moved to approve the individual voucher in the amount of \$122,930.00 to TF Powers Construction for partial payment request for general construction of Terminal Expansion Project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Grant's Mechanical:

Mr. Anderson moved to approve the individual voucher in the amount of \$11,340.00 to Grant's Mechanical for partial payment request for mechanical construction of Terminal Expansion Project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Bergstrom Electric:

Mr. Anderson moved to approve the individual voucher in the amount of \$51,523.25 to Bergstrom Electric for partial payment request for electrical construction of terminal expansion project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Mr. Anderson moved to approve the individual voucher in the amount of \$24,850.76 to Ulteig Engineers, Inc. for partial payment request for engineering services in connection with the Air Cargo Apron Expansion Project, AIP34.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Contemporary Concrete:

Mr. Anderson moved to approve the individual voucher in the amount of \$1,570.45 to Contemporary Concrete for partial payment request (Final) for construction of the west sidewalk project.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Hanson Design Associates:

Mr. Anderson moved to approve the individual voucher in the amount of \$700.00 to Hanson Design Associates for partial payment request for architectural services in connection with the airport entrance sign.

Second by Mr. Kilander.

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

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

Approved the Individual Voucher to Sixel Consulting:

Mr. Anderson moved to approve the individual voucher in the amount of \$10,078.00 to Sixel Consulting Group for August 2008 passenger enplanement fees (Allegiant - \$2,618.00, Frontier - \$7,460.00).

Second by Mr. Kilander.

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

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

Received Change Order #1 to Northern Improvement Company for Extension of Project Dates:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated he has received a request from Northern Improvement for an extension of the project completion date for the Air Cargo Expansion Project, due to the delays caused by weather. He stated they experienced delays in June due to wet conditions and in August during the concrete placement process they cancelled pouring three times in one week due to windy conditions. He stated he is recommending an extension until September 30 for substantial completion and October 3 for final completion and acceptance.

Mr. Anderson asked where the project stands now.

Mr. Klein stated Northern is still paving and they have completed 10 of the 20 paving lanes. He stated once the paving is done the other items should be done quickly.

Mr. Kilander asked if the delay is causing us any problem.

Mr. Klein stated the delay has not caused us any problem.

Gen. Macdonald moved to approve the change order request from Northern Improvement for a time extension for the Air Cargo Expansion Project to September 30.

Second by Mr. Kilander.

Regular Meeting Held September 9, 2008

Page No. 94

Received Change Order #1 to Northern Improvement Company for Extension of Project Dates:
(Continued)

Mr. Pawluk stated he has no problem granting the extension; however, it is not like it doesn't rain in June in Fargo or that we don't have windy weather. He stated the excuse of weather is a little hard to accept. He stated the fact that they have other commitments is more logical.

Mr. Anderson stated you can't do anything about weather but he would argue that our project should be number one, but as long as the delay is not causing a hardship he does not have a problem with granting the extension.

Chairman Clark called for a vote on the motion.

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

Passenger Terminal Construction Update:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated we are getting near the end of the terminal project. He stated TF Powers thinks we will be ready for a punch list in the next two or three weeks. He stated with him today is Donna Wiger, who has been working with Darren Anderson on signage.

Ms. Donna Wiger was recognized and stated the new signage will be made of a laminate with vinyl letters so it will be easy to make changes to the lettering and will be cost effective. She reviewed the proposed signage wording and placement.

Received Communication from Bill Borgen Regarding Farm Lease Extension:

Mr. Dobberstein stated we are in the second year of our three year farm leases and one of our tenants, Mr. Bill Borgen, is here today to request a two year extension of his lease in order for him to be able to take advantage of a 2009 conservation program. He stated both he and Mr. Pawluk have discussed this request with Mr. Borgen. Mr. Dobberstein stated he also discussed this with our other private tenant (R&T Stenerson Farms) and they are not interested in that program for the airport land they lease, due in part to the crop restrictions we have on the property.

Mr. Dobberstein stated we currently receive an average of \$76.11 per acre and the tenant pays the property taxes. He stated both Mr. Borgen and the Stenersons are good tenants and good stewards of the land. He stated the question is how to be fair in granting an extension when we don't really know what the market will be in 2009, which is when the leases would be bid again. He stated he does not know how we could determine an amount and be fair to Mr. Borgen and at the same time be good stewards of public funds.

Mr. Anderson asked if legally we could negotiate an extension.

Attorney Stewart stated legally we can negotiate an extension to a contract. He stated there are a lot of variables.

Mr. Pawluk stated he feels we do that quite often and the first that comes to mind is our contract with Standard Parking.

Received Communication from Bill Borgen Regarding Farm Lease Extension: (Continued)

Mr. Anderson asked Mr. Dobberstein how to arrive at a fair and equitable amount for both Mr. Borgen and the airport.

Mr. Dobberstein stated we would have to compare similar acreage in the area.

Gen. Macdonald stated he owns farmland and rents it out and the price is all over the place, anywhere from \$100-\$200 per acre.

Mr. Borgen was recognized and stated the land he rents from the airport is about 40% of his farming operation. He stated since the terms are only three years it is hard to do any forward planning such as purchasing fertilizer and planning rotation. He stated this program will not mean a lot of money for him but it is something he felt would be good for the land. He stated the land he is currently renting near Glyndon is \$85 per acre and he has rented that land for 26 years.

Mr. Pawluk stated if we were to double the amount per acre (\$76.00) and then back out the \$15.00 per acre for property taxes we would be at \$137.00 per acre. He stated he would be comfortable extending the lease as Mr. Borgen has been a good steward of the airport's land and participating in this program would be beneficial to the farm land.

Mr. Kilander asked what the typical process is to set the value of the rent.

Mr. Dobberstein stated we advertise for proposals and then those who submit proposals are able to increase their bids in an auction format on the date of the bid opening.

Mr. Anderson asked if there is any reason we cannot have some more time to think about this and let the administration do some research on rental amounts for other parcels in the area. He stated he has no problem granting the extension but we should be certain the amount is fair both to the airport and to the tenant.

Mr. Borgen stated the sign up deadline is in October and it is possible he won't even get it as there are limited dollars for the program and then the Authority could back out of the extension if they wish.

Mr. Pawluk stated Cass County just commenced a lawsuit against a former farm tenant, who was a substandard operator, or non-payment of taxes going back five years. He stated Mr. Borgen has been a good operator and we want to continue that good relationship.

Chairman Clark stated the matter will come up on a future agenda.

Received Communication from Jim Shaw Regarding East Terminal Lease Change:

Mr. Dobberstein stated he received a communication from Mr. Jim Shaw advising that he has voluntarily vacated all but 528 square feet of office space in the East Terminal. To accommodate the space needs for Spectrum Aviation.

Mr. Pawluk moved to approve the adjustment of office space in the East Terminal leased by Shaw Construction.

Second by Gen. Macdonald.

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

Anderson abstained.

The motion was declared carried.

Received Communication from Keller Williams Regarding Dakota Micro Request to Relocate to Second Floor Space, East Terminal:

Mr. Gerry Gilmour, Keller Williams, was recognized and stated Dakota Micro is looking at downsizing their space in the East Terminal and would like to move from their current location on the first floor.

Mr. Dobberstein stated this would be letting Dakota Micro out of their current lease 90 days prior to its expiration but they have been a good tenant and since they will be staying in the building he would recommend approving this request. He stated the space they will be vacating on the first floor is a very desirable space for another tenant.

Mr. Pawluk moved to approve the request from Dakota Micro to relocate to the second floor.

Second by Mr. Kilander.

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

Received Communication from Keller Williams Regarding a Client Letter of Intent to Lease Space in the East Terminal:

Mr. Gerry Gilmour, Keller Williams, was recognized and stated he has a signed Letter of Intent from Integrated Commercial Solutions, Inc. (ICS) for 704 square feet on the first floor, which is currently occupied by Spectrum Aeromed on a temporary basis. He stated they plan to move in as soon as the space is vacated by Spectrum.

Mr. Dobberstein stated ICS is a contract cargo carrier and they transport checks for banks.

Mr. Kilander moved to approve the request from Integrated Commercial Solutions, Inc. to lease space in the East Terminal.

Second by Mr. Pawluk.

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

Received Update from ND Air National Guard, Col. Robert Becklund:

Col. Robert Becklund, Commander, ND Air National Guard, was recognized and stated the purpose of his visit today is to thank the Airport Authority for their recent cooperation with the Guard's entrance project, which should be done by mid-October. He stated this was a great help in their meeting the required anti-terrorism regulations.

Col. Becklund stated as far as a general update on the Guard, they are nearly done with the dramatic transformation from the F-16s to the new missions of the predator aircraft and the C21. He stated they are also aggressively working with the wildlife mitigation on the base.

Mr. Dobberstein stated one upcoming project for the Guard will be the removal of the arresting barrier cable since the departure of the F16s.

Col. Becklund stated the new fire station project did not make the funding cut this year so it has been pushed down the line to probably 2010 or 2011.

Mr. Anderson now absent.

Regular Meeting Held September 9, 2008

Page No. 97

Received Communication from Pete Haug Regarding the Expansion of Barnstormer Concessions:

Mr. Dobberstein stated Mr. Haug was not able to be here today. He stated since our last meeting he and Mr. Haug have met with Mr. Devin Mogck, TL Stroh, regarding some ideas about the coffee kiosk in the departure lounge. He stated he had hoped to have more information today but we are still working on ideas to put on paper. He stated he has also been working with Pete Haug and Kevin Clapp, Airport Giftshop, who is currently providing the vending in the departure lounge and it is possible that Mr. Haug will use Mr. Clapp as his vendor for water and juice during this lease transition time.

Mr. Pawluk stated he would like to see a final proposal at the next meeting.

Gen. Macdonald stated he is very disappointed that we have not gotten further on this project.

Chairman Clark stated there are a couple of basic coffee kiosks on campus similar to what we have been discussing and she recommended someone take a look at those.

Mr. Dobberstein stated Mr. Haug will be on vacation but he will work with Mr. Mogck for a proposal on the September 23 meeting.

Received Notice of Special Assessment for Paving Project:

Mr. Dobberstein stated we received a special assessment notice from the City of Fargo for a paving project on 16th Street North. He stated we have the ability to pay the amount in full (approximately \$14,237.16) between October 20 and October 30, 2008, once they certify the total amount.

Received Memorandum of Lease Agreement for Cass County Road 20 Lift Station:

Attorney Stewart stated that in his review of the lease agreement with the City of Fargo for the Cass County Road 20 Lift Station he found that their legal description was off by 75 feet. He stated we will have to amend the legal description and then have the lease recorded.

Mr. Kilander moved to approve the amendment of the legal description in the lease agreement with the City of Fargo for the Cass County Road 20 lift station and that Attorney Stewart be authorized to have the lease recorded.

Second by Mr. Pawluk.

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

Received Proposed Elevator and Escalator Service Contracts:

Mr. Dobberstein stated the warranties on the escalators and also the passenger elevator expire this month. He stated he has received maintenance contracts from Otis Elevator on the escalators and from ThyssenKrupp on the elevators and has had Attorney Stewart review the contracts. Mr. Dobberstein stated the term of the contract with Otis would be five years starting at \$1,050.00 per month and annual increases would be no more than 5%. He stated Otis was involved in replacing some of the parts on the passenger elevator but he would recommend awarding the maintenance contract to ThyssenKrupp who has maintained our elevators in the past. He stated their monthly fee is \$360.00, but he wants to look further into the language regarding automatic renewal of the contract.

Mr. Pawluk moved to authorize the maintenance contracts for the escalators and elevators as recommended by the Executive Director.

Second by Mr. Kilander.

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

Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated he is continuing to work on the drainage problem in the sidewalk area and Ulteig Engineers will be taking care of that. He stated they were going to wait until the end of the growing season for the flowers.

Mr. Dobberstein stated all of the hangars in the south general aviation area have now met the painting requirements in their leases and the area looks very nice.

Mr. Dobberstein stated the proposed museum addition is on hold for the rest of the year.

Other Business:

Mr. Dobberstein stated August was our busiest August on record and our boardings year to date are up 9.1% over the same period last year.

Mr. Dobberstein stated he has been visiting with Mr. Mark Sixel, Sixel Consulting, regarding a program he is working on for an advocate to the heartland. He stated is adding someone to his staff under a one year contract to act as an advocate for smaller airports in the heartland states (North Dakota, South Dakota, Minnesota, Iowa, Wisconsin and Michigan) to work with us through the transition of the Northwest-Delta merger and to represent the airports on scheduling and planning. He stated Mr. Sixel is making proposals to the aeronautics organizations in each state and looking for participation in the program which will have a total cost of approximately \$230,000. He stated

Other Business: (Continued)

there seems to be a lot of support in Minnesota and Iowa but he is not certain about the other states. He stated he has not had a chance to discuss this with his counterparts in North Dakota. He stated the cost to each airport would be about \$12,500 and it is possible the ND Aeronautics Commission will be funding a portion of this. He stated he will have further information for the board members to review when it is available.

Mr. Jon Holman, TSA, was recognized and invited the board members to a ceremony on September 11 at 10:30 a.m. to commemorate the terrorist attacks on 9-11, at which time there will be a reaffirmation of oath by the TSA officers and also a presentation of their new uniforms. He stated Governor Hoeven will be speaking.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, September 23, 2008 at 8:00 a.m.

Time at adjournment was 9:14 a.m.

Regular Meeting

Tuesday

September 23, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, September 23, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

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

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority held September 9, 2009:

The minutes of the regular meeting of the Municipal Airport Authority held September 9, 2008 were approved without objection.

Approved the Airport Vouchers Totaling \$48,000.89:

Gen. Macdonald moved to approve the airport vouchers totaling \$48,000.89.

Second by Mr. Pawluk.

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

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

Approved the Individual Voucher to The Forum:

Mr. Pawluk moved to approve the individual voucher in the amount of \$92.40 to The Forum for legal advertisement for proposals for engineering services.

Second by Mr. Anderson.

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

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

Received Change Order G-28, TF Powers Construction, for an Increase of \$3,572.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated Change Order G-28 was for some additional support structure for the glass walls near the exit doors from the departure lounge.

Mr. Pawluk moved to approve Change Order G-28 to TF Powers Construction for an increase of \$3,572.00.

Second by Mr. Kilander.

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

Received Change Order G-29, TF Powers Construction, for an Increase of \$14,268.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order G-29 includes repairs and painting to walls throughout the existing building. He stated there were a number of issues with water damage and condensation damage to walls which were discovered after we got into the project and could not have known about those until construction started. He stated Morris Painting has just been repairing these areas as they have been discovered and keeping a running total of the work. He stated they have been monitoring these repairs throughout the project and they feel this is a very fair price for all of the work done.

Mr. Pawluk moved to approve Change Order G-29 to TF Powers Construction for an increase of \$14,268.00.

Second by Mr. Kilander.

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

Received Change Order G-30, TF Powers Construction, for a Deduct of \$18,061.00:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated that Change Order G-30 to TF Powers Construction for a deduct of \$18,061.00 had to do with the moving of the boarding bridges. He stated two of the existing boarding bridges were removed during construction and Darren Anderson came up with a way to eliminate one move resulting in this deduct.

Mr. Pawluk moved to approve Change Order G-29 to TF Powers Construction for a decrease of \$18,061.00.

Second by Mr. Kilander.

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

Passenger Terminal Construction Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated there are a couple of items which were not in the project but are items the board has discussed doing. He stated those include the information center and the car rental counters and the problems we have been having with the swing out doors that are part of their counters. Plans for the information center were presented.

Mr. Pawluk asked if we have a budget for the information center.

Mr. Stroh stated they are proposing to put the project out for bids and see what numbers we get.

Mr. Stroh stated they are also working on a solution for the car rental counters.

Regular Meeting Held September 23, 2008

Page No. 102

Passenger Terminal Construction Update: (Continued)

Mr. Stroh stated as far as the rest of the project, they are winding up work on finishes, ceilings, etc. He stated this week they will be working on a punch list for the exterior of the building. He stated they are looking at completion of the project within a matter of a few weeks.

Continued Discussion Regarding Proposed Airport Entrance Road Project:

Chairman Clark stated this item will be on the agenda for the October 14 meeting.

Continued Discussion Regarding Request to Extend Borgen Farm Lease:

Mr. Dobberstein stated at the last meeting he was directed to get some information on farm cash rents paid on similar properties in the area. He stated he was referred to the Cass County Extension Office which directed him to a national website showing 2008 county rents and values. He stated the averages according to this website, updated March 2008, ranged from \$43 to \$100 for an average of \$67.40 and our current average is \$76.11.

Mr. Dobberstein stated he cannot come up with a fair way to negotiate with Mr. Borgen and at the same time be fair in averaging that amount to our other tenants. He stated for that reason he cannot support this request. He stated the leases will go back on the market in June or July of 2009 and this program will still be available to Mr. Borgen at that time.

No action was taken.

Receive Update Regarding Expansion of Concessions in the Departure Lounge:

Mr. Devin Mogck, TL Stroh Architects, was recognized and stated he and Mr. Dobberstein have been working with Mr. Pete Haug on the post security concessions facility. He stated the products that will be sold, at least initially, are coffee, water, bakery items and fruit. He presented a preliminary sketch and explained that it has been designed to be expanded if additional items such as sandwiches and salads are sold in the future. He stated they have a summary of estimated project costs which totaled \$22,900 plus design fees. Mr. Mogck stated they would like approval of the concept before moving further.

Gen. Macdonald moved to approve the concept presented for the post-security coffee kiosk.

Second by Mr. Kilander.

Mr. Dobberstein stated if the board is satisfied with the concept we can direct Mr. Mogck to go out and get some firm prices from contractors and come back with bids. He stated the board could also approve a budget not to exceed a certain amount.

Gen. Macdonald amended his motion to approve going ahead with the project with the cost not to exceed \$30,000. He added that he did not want to delay this project another two weeks.

Mr. Kilander seconded the amendment to the motion.

Regular Meeting Held September 23, 2008

Page No. 103

Receive Update Regarding Expansion of Concessions in the Departure Lounge: (Continued)

Mr. Stroh stated they will put together some plans so we can get prices from general contractors, unless the board wants to just add it to the TF Powers contract. He stated it is a small project so there might not be a lot of interest.

Mr. Kilander stated he thinks we would want to get at least a second bid.

Mr. Anderson stated this could come in at more than \$30,000 so he feels we should just finish the plans and go get the numbers.

Gen. Macdonald stated he agrees with that idea but we keep kicking this project around and he does not want to waste another two or three weeks.

Mr. Stroh stated it will take them two or three weeks to finish the drawings and specifications.

Gen. Macdonald withdrew his motion and the amendment to the motion.

Mr. Anderson stated he would prefer to see three bids.

Mr. Dobberstein stated TL Stroh will get three bids and have them at our first meeting in October.

Received Communication from Sixel Consulting Regarding Proposed Community Consortium Project:

Mr. Dobberstein stated he distributed to the board members the proposal for funding an advocate representing heartland communities in the Delta/Northwest merger. He stated we discussed this briefly at the last meeting and we now have a copy of the proposal from Mr. Mark Sixel, Sixel Consulting. He stated Mr. Sixel is gathering a lot of information from airports in the heartland states and the aviation organizations in those states. He stated Mr. Mark Holzer, ND Aeronautics Commission, provided a number of questions which have been answered in this proposal. He stated the Minnesota Aeronautics Commission will be considering this proposal sometime this month, as well as South Dakota, Michigan, Iowa, Wisconsin, and Illinois. He stated this proposal may not go anywhere. He stated there might not be enough interest in it, or the people Mr. Sixel has in mind for this position may find other opportunities in the industry.

Mr. Dobberstein stated at this point he thinks the \$12,500 cost to participate is in line and hopefully the people Mr. Sixel has in mind for this position will bring a lot of credibility to the table. He stated at this time he would recommend that we indicate to Mr. Sixel that we are interested in participating. He stated if the project does not go ahead it does not cost us anything. He added that we do have money in our marketing budget for this.

Mr. Pawluk stated as he reviews this proposal it makes sense but he wonders if we really need this.

Mr. Dobberstein stated we do not know that the people at Delta that we have worked with in the past will still be with Delta and we need a voice with a lot of experience at the table when they are making decisions on service to cities. He stated Sixel will provide all of the technical data, but

having someone at the table who knows the heartland and knowing the strategies that Northwest implemented will be valuable.

Regular Meeting Held September 23, 2008

Page No. 104

Received Communication from Sixel Consulting Regarding Proposed Community Consortium Project: (Continued)

Gen. Macdonald stated we talk about a Delta/Northwest merger but that is not true, Delta is acquiring Northwest. He stated in his opinion we have a lot of credibility with Northwest Airlines but none with Delta so we lose that once this acquisition takes place and he feels we need someone to represent us to Delta until we become part of their system.

Mr. Pawluk stated for that amount of money we can't do anything but go forward. He stated it is not a crippling amount but the consequences could be. He stated he looks at this like the recent BRAC process and the consortium that was formed for the retention of the air bases. He stated he feels this is that type of critical issue.

Mr. Dobberstein stated this person will be able to provide access that he or Mr. Sixel can't. He stated we can arrange meetings with people from Delta but this person will have experience and knowledge of what is going on with the process. He stated to the business community and surrounding area this will be money well spent as we will be able to say that we had a voice at the table.

Mr. Pawluk moved the Airport Authority make a commitment to this project based on the proposed cost of \$12,500.

Second by Mr. Kilander.

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

Received Communication from Green Square Regarding East Terminal Lease:

Mr. Dobberstein stated we received a communication from Green Square, one of our tenants in the East Terminal, requesting they be released from their lease two months early. He stated Green Square had a contract with Noridan and they lost their contract. He stated they spent \$2,240 on window blinds, which they will leave, and also \$5,870 on cabling and wiring which will stay in place.

Mr. Pawluk stated as a landlord he does not think this is an unreasonable request, unless there is a legal ramification.

Attorney Tjon stated there is nothing that precludes us from allowing a tenant to vacate early.

Mr. Pawluk asked if the space is being left in a tenable condition.

Mr. Dobberstein stated a new tenant may want a different color paint on the walls but other than that they could move right in.

Mr. Pawluk moved to approve the request from Green Square to vacate their space two months early.

Second by Mr. Kilander.

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

Airport Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated Northern Improvement finished pouring concrete last Friday and they are now working on joint sealing, backfilling, etc. He stated if the weather permits they should be done next week.

There was nothing to report on security.

Other Business:

Mr. Anderson asked what we are waiting for on the entrance sign project. He asked if we were planning on starting the project yet this fall.

Mr. Dobberstein stated we had planned to do this project next year.

Mr. Pawluk asked what our budget for the entrance was.

Mr. Dobberstein stated the original estimate was about \$68,000 but after the changes the board recommended and the increased height of the sign and lighting changes it will probably increase.

Mr. Anderson asked why we wouldn't go ahead with this yet this fall.

Mr. Pawluk stated he was in favor of this project but when he thought about the cost, which could be \$100,000, he is uncomfortable spending that much on the project.

Mr. Kilander stated he thinks the front entrance to the airport is something that carries our image to the next level and doesn't cost that much. He thinks it behooves us to move forward.

Gen. Macdonald stated he agrees. He stated you go to every other airport in the country and they have a nice entrance sign with sculptures, etc, and we have diddly squat.

Mr. Jim Sweeney, Fargo Jet Center, was recognized and agreed a new entrance sign would be an improvement and he would also like to review the green signage and the wording on those signs as they get passengers in their facility every week looking for the commercial flights.

Mr. Dobberstein stated yesterday at 4:00 p.m. was the deadline for proposals from engineering firms. He stated Ulteig Engineers was the only firm that responded to our request for proposals and provided a proposal. He stated this will be officially received at the next meeting. He stated we will wait for confirmation from the FAA Airports District Office that we will not have to conduct interviews.

Other Business: (Continued)

Mr. Dobberstein stated we recently received a perfect score on our FAA Part 139 inspection and he stated he credits Darren Anderson and Henry Swedberg and the airfield crew with that. He added that our intern, Kash Lund, also played a part in that. He stated this is Kash's last week of his internship and will be returning to Williston for now.

Mr. Dobberstein stated there is no doubt that we have laid a foundation in accordance with the ND Aeronautics Commission's baseline for student interns and with UND's involvement. He stated Kash will do well and we will certainly support him with recommendations for his future endeavors in aviation.

Mr. Kilander stated he feels it is important for the record to show that the Airport Authority has had a positive experience with this intern program and should encourage us to continue with the program in the future.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, October 14, 2008.

Time at adjournment was 8:58 a.m.

Regular Meeting

Tuesday

October 14, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota was held Tuesday, October 14, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Pawluk, Macdonald, Kilander

Absent: Clark

Others: Stewart

Vice Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held September 23, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held Tuesday, September 23, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$37,418.66:

Mr. Anderson moved to approve the airport vouchers totaling \$37,418.66.

Second by Gen. Macdonald.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$7,042.00 to Sixel Consulting for September passenger enplanement fees (Frontier - \$4,736, Allegiant - \$2,306).

Second by Mr. Pawluk.

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

Regular Meeting Held October 14, 2008

Page No. 108

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$569,298.94 to Northern Improvement Company for Partial Payment Request No. 4, Cargo Apron Expansion Project, AIP34.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$6,564.02 to Flint Communications for partial payment request for 2008 airport marketing program.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$5,456.74 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$530.00 to TL Stroh Architects for partial payment request for architectural services in connection with the post security coffee kiosk.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald, Kilander 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 \$361,143.10 to TF Powers Construction for Partial Payment Request #24 for general construction of Terminal Expansion Project, APFC07 and AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald and Kilander 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 \$9,180.00 to Grant's Mechanical for Partial Payment Request #23 for mechanical construction of Terminal Expansion Project, APFC07/AIP33.

Second by Mr. Pawluk.

On the call of the roll, members Anderson, Pawluk, Macdonald and Kilander 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 \$19,896.80 to Bergstrom Electric for Partial Payment Request #23 for electrical construction of Terminal Expansion Project, APFC07/AIP33.

Second by Mr. Pawluk.

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

Absent and not voting: Clark

The motion was declared carried.

Passenger Terminal Construction Update:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated they have been working with the contractors and engineers on punch lists, which should take a couple of weeks to complete. He stated other than those punch lists the project is mostly complete. He stated the biggest item left is the ceiling in the east end of the departure lounge.

Mr. Dobberstein stated we also have the car rental counters, the information center, and the coffee kiosk in the departure lounge yet to complete.

Gen. Macdonald asked the status of the bids for the coffee kiosk.

Mr. Diers stated they are still finalizing drawings.

Mr. Dobberstein stated he thinks they are also waiting for prices on the equipment that will be in the kiosk.

Regular Meeting Held October 14, 2008

Page No. 110

Passenger Terminal Construction Update/Consider Dates for Ribbon Cutting:

Mr. Pawluk asked what type of event will be planned for the ribbon cutting.

Mr. Dobberstein stated that is up to the board members.

There was discussion on how we could work with the TSA to allow the public to go into the departure lounge area during a time when there are no flights arriving or departing.

Mr. Jon Holman, TSA, was recognized and indicated it is something that could be done.

Vice Chairman Kilander stated he would like to be able to let the public see the entire project, departure area included.

Mr. Pawluk agreed and stated there are a lot of people who don't fly that often and would probably like to see the building. He stated if we had 150 people attend that would be a lot and it would not take that much for the TSA to screen 150 people.

Gen. Macdonald suggested we even close off half of the departure lounge and let the public see at least half of it. He stated he would also recommend involving the Chamber and the CVB.

Mr. Anderson stated he has no problem if the attendees just have access to the public areas for this event.

The board directed Mr. Dobberstein to contact the Chamber and the CVB to get their input for a ribbon cutting event, after working out logistics with the TSA as far as access to the departure lounge.

Reviewed and Approved Easements Associated With the City of Fargo, Cass County 20 Sanitary Sewer Project:

Mr. Dobberstein stated we now have the various temporary construction easements and permanent easements for the Cass County 20 sanitary sewer project, which have been approved by Attorney Stewart.

Mr. Anderson moved to approve and authorize execution of the temporary construction easements and permanent easements for the Cass County 20 sanitary sewer project.

Second by Mr. Pawluk.

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

Received Proposals for Engineering Services and Approve Award of Contract Services:

Mr. Dobberstein stated as we discussed at the last meeting, we had advertised a request for proposals for engineering services and the deadline for submission of proposals was September 22. He stated we received only one proposal and that was from Ulteig Engineers, which was distributed to the members at the last meeting for their review. He stated since that time there has been reorganization at Ulteig Engineers and Mr. Jon Scaper is now the Aviation Department manager.

He stated in his opinion these changes do not change his opinion or confidence in Ulteig Engineers and he would recommend the board award the contract to them.

Regular Meeting Held October 14, 2008

Page No. 111

Received Proposals for Engineering Services and Approve Award of Contract Services: (Cont'd)

Mr. Anderson moved to award the contract for engineering services to Ulteig Engineers, Inc. for a maximum of five years.

Second by Mr. Pawluk.

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

Received Notice from US Department of Commerce, Foreign-Trade Zone Board, Regarding CNH America LLC Application:

Mr. Dobberstein stated we have received a communication from Mr. Andrew McGilvray, US Department of Commerce, Foreign-Trade Zones Board that they have published in the Federal Register CNH American LLC's application for temporary/interim manufacturing authority within FTZ 267, Site 2. He stated CNH will be the first company involved in our Foreign-Trade Zone. He stated this is a very important development for Cass County.

The communication was received and filed without objection.

Continued Discussion Regarding Entrance Road Landscape Project:

Mr. Scott Liudahl, City Forester, and Mr. Jim Hanson, Hanson Design Associates, were recognized and presented two new concepts for the entrance road sign after previous recommendations from the board.

Mr. Hanson reviewed Concept #1 and Concept #3 and the differences between the two. Each concept had three different options for different lettering and lighting.

After further discussion, Mr. Anderson moved the Airport Authority move ahead with advertising for bids the entrance road sign/landscape project, Concept #2 up to a maximum of \$105,000, with the specifics for the alternates on the electrical portion of the project to be determined after bids are received.

Second by Gen. Macdonald.

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

Discuss Possible Parking Lot Expansion/Rehabilitation Project:

Mr. Dobberstein stated we need to start thinking about the possibility of expanding the long term lot and also a rehabilitation of the existing long term lot, which was put off when we did the short term lot last year. He stated in February and March of this year there were times when the lot was full and Standard Parking had to make some changes in their snow removal and snow storage process. He stated now with Frontier in the market and also the addition of Orlando service in November we could see that problem escalate. He stated we had considered having Ulteig begin the process for the storm sewer in the expansion area and put down the base course, but Standard

Parking was not excited about trying to plow snow on that type of surface. He stated Standard Parking will be prepared to strategically plow snow and keep some of the grass area open for cars. He stated he anticipates it to be very congested January through March and we will have to look at expanding the lot.

Regular Meeting Held October 14, 2008

Page No. 112

Discuss Possible Parking Lot Expansion/Rehabilitation Project: (Continued)

Mr. Dobberstein stated the car rental agencies have also indicated they would like an additional 150 spaces as the agencies have expanded their fleets as our traffic increases. He stated one option is to have a separate entrance to the long term lot and use some of that space as the peak time for the car rental lot is in the summer months.

Mr. Pawluk asked if the parking lot operator would participate in the cost of the new lot.

Mr. Dobberstein stated they probably would be interested in participating, as they have in the past, for an extension of their lease.

Vice Chairman Kilander stated he noticed a lot of cars parked in the short term lot as he came in today. He suggested it may be time to look at increasing the daily rate in short term because it seems a lot of people are willing to pay the extra \$2.50 per day to park closer to the building.

Mr. Pawluk stated he thinks we may be looking at shuttle service from long term to the building at some time in the future.

Received Third Quarter 2008 PFC Report:

The PFC report for the third quarter of 2008 was received and filed without objection.

Mr. Dobberstein stated one item on our approved Capital Improvement Plan was the replacement of an airfield sweeper for which we estimated \$488,000. He stated he has directed Mr. Darren Anderson and our airfield staff to work on specifications for a combination plow/sweeper unit, which a lot of airports are using.

The PFC report was received and filed without objection.

Received Proposed Airline Lease and Operating Agreement:

Mr. Dobberstein stated we have received the proposed airline lease and operating agreement prepared by Mr. John DeCoster, Trillion Aviation. He stated the language and format is pretty standard as far as rules and regulations but he has modernized the document we have had in place since the early 1980's. Mr. Dobberstein stated the primary issue for him has been the rate and fee structure in terms of how we switch our cost allocations for the operating areas, which are traditionally exclusive space, preferential use area, and joint use area. He stated with the exception of the Gate 2 hold area, which will be preferential space for Northwest Airlines since they own the bridge at Gate 2, that area will be a joint use area. He stated the only exclusive space will be operations area and ticket counter area. He stated the rest of the space in the departure lounge, tug concourse, luggage service area, ground service equipment storage area and break room will be joint use space. He stated we worked through a number of calculations using a 10% equal charge but none of them seemed to work so we went back to the 80/20 formula which is the most common and the most fair.

Mr. Dobberstein stated our goal with the new lease and agreement was to keep our airline costs even, equal to, or even a little less than what our total revenue generated from airlines for the terminal building was each year. He stated we used our total airline terminal revenue for 2007 as a baseline and then backed into that number to develop the rates for this agreement.

Regular Meeting Held October 14, 2008

Page No. 113

Received Proposed Airline Lease and Operating Agreement: (Continued)

He stated our current rates range from \$7.00 to \$29.00 per square foot per year and we are proposing \$14.02 per square foot for all areas. He stated we did not include square footage in the gate hold area being used by other revenue producing space such as advertising displays, vending machines, and the new coffee kiosk to be installed.

Mr. Dobberstein stated he feels we have accomplished our goal of maintaining the baseline total annual revenue. He stated now as the airlines need additional space that will be revenue over and above what they are paying now.

Mr. Pawluk asked if this effectively caps the amount that we can charge for the term of the lease.

Mr. Dobberstein stated we reserve the right to adjust rates each year. He added that we can always adjust landing fee rates. He stated we will propose a five year contract to the airlines but we will probably get a three year term.

Mr. Dobberstein stated another change we will see is that United Airlines will be taking over the lease rather than Skywest. He stated there will be no change in service, it will still be Skywest, but United has decided to manage their airport costs rather than their affiliates.

Mr. Dobberstein stated with the board's concurrence he will work with Mr. DeCoster on submitting these to the carriers. He stated our goal is to have these in place by December 31.

Mr. Anderson moved to approve the proposed airline lease and operating agreement.

Second by Mr. Pawluk.

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

Authorized Attendance at the FAA Fall Seminar, October 28-29, 2008, Bismarck:

Gen. Macdonald moved to authorize attendance at the FAA Fall Seminar, October 28-29, 2008, Bismarck.

Second by Mr. Pawluk.

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

Authorized Attendance at the FAA Regional Seminar, November 4-6, 2008, Chicago, IL:

Gen. Macdonald moved to authorize attendance at the FAA Regional Seminar, November 4-6, 2008, Chicago, IL.

Second by Mr. Pawluk.

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

Authorized Attendance at the ICAS Air Show Conference, December 8-11, 2008, Las Vegas, NV:

Mr. Pawluk moved to authorize attendance at the ICAS Air Show Conference, December 8-11, 2008, Las Vegas, NV.

Second by Mr. Anderson.

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

Regular Meeting Held October 14, 2008

Page No. 114

Authorized Attendance at the Allegiant Air Conference, February 10-12, 2009, Las Vegas, NV:

Gen. Macdonald moved to authorize attendance at the Allegiant Air Conference, February 10-12, 2009, Las Vegas, NV.

Second by Mr. Pawluk.

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

Airport Construction and Security Update:

Mr. Jeff Klein, Ulteig Engineers, was recognized and stated the cargo ramp project is done and there will be one final payment request.

There was nothing to report on security.

Reviewed November Meeting Dates:

After discussion of schedules it was decided that the board would meet only once during the month of November and that would be Tuesday, November 25.

Other Business:

Mr. Dobberstein stated we will see a change in our DHL operation. He stated ABX Air currently flies the aircraft for DHL. He stated DHL is working on a contract with UPS to fly their freight. He stated there has been a big shift in shippers sending merchandise two day delivery rather than overnight so the volumes are down significantly. He stated we are a focal market for UPS and if UPS and DHL can work out an agreement we may see a UPS jet here daily. He stated we will probably see DHL pulling out of the domestic market.

Mr. Dobberstein stated the FAA bill has been extended to March 2009 but we have been advised to receive only 25-30% of our normal amount, which for us means about 25-30% of about \$2.4 million. He stated he is not certain what project we would do with that amount but some considerations are some drainage/storm sewer improvements or a lighting upgrade to Taxiway B.

The meeting was adjourned until the next regular meeting to be held Tuesday, November 25, 2008 at 8:00 a.m.

Time at adjournment was 9:34 a.m.

MUNICIPAL AIRPORT AUTHORITY

Page No. 115

Regular Meeting

Tuesday

November 25, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, November 25, 2008, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Anderson, Pawluk, Macdonald, Clark

Absent: Kilander

Others: Stewart, Tjon, Walaker

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held October 14, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held October 14, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$60,595.64:

Mr. Pawluk moved to approve the airport vouchers totaling \$60,595.64.

Second by Mr. Anderson.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Ulteig Engineers, Inc.:

Gen. Macdonald moved to approve the individual voucher in the amount of \$32,921.45 to Ulteig Engineers, Inc. for Partial Payment Request (Final) for engineering services in connection with the Cargo Apron Expansion Project, AIP34.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander
The motion was declared carried.

Regular Meeting Held November 25, 2008

Page No. 116

Approved the Individual Voucher to Northern Improvement Company:

Gen. Macdonald moved to approve the individual voucher in the amount of \$15,207.50 to Northern Improvement Company for Partial Payment Request (Final) for engineering services in connection with the Cargo Apron Expansion Project, AIP34.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Gen. Macdonald moved to approve the individual voucher in the amount of \$14,452.34 to Flint Communications for partial payment request for 2008 airport marketing program.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$7,656.00 to Sixel Consulting for payment request for October passenger enplanement fees (Allegiant - \$2,642.00, Frontier - \$5,014.00).

Second by Mr. Pawluk.

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

Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting:

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

Second by Mr. Pawluk.

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

Absent and not voting: Kilander
The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,101.90 to TL Stroh Architects for partial payment request for architectural services in connection with the Terminal Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,413.00 to TL Stroh Architects for partial payment request for architectural services in connection with the past security coffee kiosk, Westside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Gen. Macdonald moved to approve the individual voucher in the amount of \$14,339.80 to TL Stroh Architects for Partial Payment Request #1 for sun control project, Westside Terminal.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

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 \$78,000.00 to TF Powers Construction for Partial Payment Request #25 for general construction of Terminal Expansion project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Approved the Individual Voucher to Bergstrom Electric:

Gen. Macdonald moved to approve the individual voucher in the amount of \$63,884.65 to Bergstrom Electric for Partial Payment Request #24 for electrical construction of Terminal Expansion Project.

Second by Mr. Pawluk.

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

Absent and not voting: Kilander

The motion was declared carried.

Received Change Order M-12, Grant's Mechanical, for an Increase of \$23,539.36:

This item was deferred until the next meeting.

Received Change Order E-26, Bergstrom Electric, for an Increase of \$6,156.00:

Mr. Derek Diers, TL Stroh Architects, was recognized and stated Change Order E-26 to Bergstrom Electric for an increase of \$6,156.00 is for lightning protection. He stated the original construction documents for the project included re-roofing the existing building and the contractor handling the lightning protection was asked to remove the existing lightning protection and then replace it when the re-roofing was complete and also to add lightning protection for the north and west additions. He added that they were also asked to evaluate the lightning protection when the project was complete and make recommendations for bringing everything up to code, which includes a number of satellite dishes and antennas on the roof which need to be grounded.

Mr. Anderson moved to approve Change Order E-26 in the amount of \$6,156.00 to Bergstrom Electric.

Second by Gen. Macdonald.

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

Passenger Terminal Construction Update (Coffee Kiosk, Information Center, Car Rental Doors, Business Center Furniture):

Mr. Derek Diers, TL Stroh Architects, was recognized and stated there are a few things left on the punch list and we are also waiting for operations manuals. He stated they are getting started on construction of the coffee kiosk next week and they are working on the cabinets this week. He stated they are also working on the doors for the car rental counters and the renovation of the information center. He stated they had received one quote for the information center casework but thought it was a little high so they were going to get another quote. He stated as far as the business centers, the original quote they received was for office furniture which was quite high so they are now looking at a quote for casework rather than from an office furniture supplier.

Mr. Dobberstein stated we are looking at a tentative opening of December 3 or 4 for the coffee kiosk. He stated it won't be 100% complete but it will be operational.

Regular Meeting Held November 25, 2008

Page No. 119

Received Communication from Enterprise Rent a Car Requesting Lease Extension:

The communication from Enterprise Rent a Car dated October 31, 2008 was received and filed without objection.

Mr. Dobberstein stated Enterprise's lease expires on December 31, 2008 and they are requesting a lease extension. Mr. Dobberstein stated he would recommend a five year extension.

Mr. Pawluk moved to approve the request from Enterprise Rent a Car for a five year lease extension.

Second by Mr. Anderson.

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

Received Communication from Fargo Jet Center Regarding Agreement and Consent with MidAmerica Charters:

The communication from Mr. James Sweeney, Fargo Jet Center, dated October 20, 2008, was received and filed without objection.

Mr. Dobberstein stated Mr. John Barry hangars an aircraft at the Fargo Jet Center and it was brought to our attention that MidAmerica Charters does advertise for charter service using that aircraft so they are required to have an agreement with an FBO and report revenue to the Airport Authority and pay 1.5% of the revenue or \$200 per month, whichever is greater. He stated the aircraft is here only six months out of the year so it will probably be a seasonal agreement. He stated it will be the same agreement we have with Dakota Jet.

Gen. Macdonald moved to approve the agreement with Fargo Jet Center and MidAmerica Charters to provide charter service.

Second by Mr. Pawluk.

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

Reviewed 2009 Marketing Plan Options with Flint Communications:

Tara Bangsund and Kimberly Matter, Flint Communications, were recognized and stated they will be going over both the proposed budget for 2009 and the ideas they have for new commercials, since it has been three years since commercials were produced.

Ms. Bangsund reviewed the budget and went over the changes from 2008. She stated one of those changes was a decrease in print ads and an increase in television ads. She stated they are also proposing entering the on-line media market with a small intro on Facebook. She explained that the target audience for this is the 18-24 age group and in North Dakota there are over 47,000 registered users and they will use this to promote travel during spring break. She explained that on Facebook you only pay for those that click through to the ad, so the campaign could generate a lot of "free" impressions.

The Flint representatives presented the two options for the new advertisement, one was an animated commercial entitled "Which Would You Rather Do?" and the other was a commercial with real life people entitled "Almost That Easy."

Regular Meeting Held November 25, 2008

Page No. 120

Reviewed 2009 Marketing Plan Options with Flint Communications: (Continued)

When asked which option the Flint staff likes better they indicated they prefer the animated commercial. They indicated they feel the animated commercial stands out and is easily changeable.

Mr. Anderson stated he feels the Flint people are the experts but the animated commercial seems like a cartoon to him. He prefers the real people ad but he would defer to the experts.

Mr. Pawluk stated he likes the message on the animated option but likes the pleasant feeling of the real life people.

Gen. Macdonald stated our advertising campaign is targeting the leisure traveler and he feels the real life ads would appeal more to them.

Chairman Clark stated if we are targeting families then they tend to be younger and she feels the animated concept will grab their attention more.

After further discussion, Mr. Anderson moved to approve the 2009 budget proposed by Flint Communications.

Second by Gen. Macdonald.

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

Mr. Pawluk stated based on the discussion today, he would favor accepting the recommendation by Flint for the animated commercial, but to soften the message and end it on a more positive note rather than negative. He stated he likes the idea that it is easier to change and update.

Mr. Pawluk moved to approve the animated Option #2 as recommended by Flint Communications.

Second by Mr. Anderson.

Gen. Macdonald stated he thinks the animated commercial is going to get awfully old after three years.

Chairman Clark called for a vote on the motion.

Anderson, Pawluk, Clark voted aye.

Macdonald voted no.

Absent and not voting: Kilander

The motion was declared carried.

Received Air Service Update from Sixel Consulting Group:

Mr. Dobberstein introduced Mr. Michael Lum, who just recently joined Sixel Consulting. He stated Mr. Lum is from Dallas, TX, and spent nine years with American Airlines as an executive in the American Eagle Planning & Marketing Department and his responsibilities included route and schedule planning network, fleet and competitive analysis, code share relationships, negotiating

revenue guarantees with airports and was a key negotiator between American Eagle and many airports seeking expanded service. He stated Mr. Lum has a wealth of experience and is a great addition to the Sixel staff.

Regular Meeting Held November 25, 2008

Page No. 121

Received Air Service Update from Sixel Consulting Group: (Continued)

Mr. Lum was recognized and gave the board an update on the airline industry and what is driving the changes we are seeing such as fuel costs, changes in airline fleets, etc. He distributed copies of a chart showing upper Midwest airline seat capacity relative to population showing Fargo with a population per airline seat of 277. The range of the 28 cities shown was from Sioux Falls at 239 to Eau Claire, WI at 2,321.

Mr. Brian Walters, Executive Director of the Greater-Fargo Moorhead Economic Development Corporation was recognized and emphasized that air service is a critical part of the business structure of our area.

Review and Approve Easements for Fiber Optic Cable Project:

Mr. Dobberstein stated Attorney Stewart has been working on two easements for fiber optic cable projects, one for cable to the Eastside Terminal which was actually completed some time ago, and the second for cable to the West Terminal, which is a project the State of North Dakota is doing. He stated the easements are complete and can be signed.

Gen. Macdonald moved to approve the two easements for fiber optic cable.

Second by Mr. Anderson.

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

Received Airlines Lease Update:

Mr. Dobberstein stated in late October we forwarded our proposed lease and operating agreements to our airline partners for their review. He stated last Thursday he and Mr. DeCoster had a conference call with the airlines (Frontier was not able to participate). He stated we received comments from the airlines, reviewed them and have forwarded those on to Attorneys Stewart and Tjon for incorporation into the lease as there were no significant changes from the proposed lease.

Mr. Dobberstein stated we did receive a request from Allegiant initially for an "opt out" after one year at any time during the five year term, or a three year term. He stated the other airlines are not in favor of a one year opt out because the airlines that remain pick up the costs of the departing airline by an increase in their share of the 20% equal charge. He stated it looks like Northwest and United (United will be taking over the lease from Skywest) are looking favorably at a five year term as the favorable rates and charges we are proposing can be a sense of security to them and would protect them from major changes should we see a change in board members or other game changers during that term. He stated the worst case scenario with Allegiant is that they would decide to be a non-signatory carrier and that would mean they would not sign a lease but they would pay

125% of what the signatory carriers pay. He stated they have done this in some of their other markets.

Gen. Macdonald stated he would like to see us accommodate Allegiant as much as we can without impacting the other airlines.

Mr. Dobberstein stated they will continue to work with the airlines on getting these leases signed by January 1, 2009 and he will report later.

Regular Meeting Held November 25, 2008

Page No. 122

Discuss December Meeting Dates:

Meeting dates for December were discussed and it was decided that the board would meet once in December on Tuesday the 16th, with a possible meeting on December 30 if necessary.

Anderson now absent.

Airport Construction and Security Update:

Mr. Dobberstein stated we have Ulteig Engineers working on our 2009 improvement project. He stated we have a carry over amount of \$615,321.00 from our 2008 entitlements and the FAA will allow us to spend 50% of that amount. He stated some of that will be applied to the terminal building project. He stated we have also been advised that we can plan to receive only 30% of our 2009 entitlements or approximately \$761,045. He stated it is possible that we may receive the rest of the funding later in 2009. He stated by December 12 we have to submit our Capital Improvement Plan to the FAA Airports District Office in Bismarck.

Mr. Dobberstein stated we are planning a storm sewer project for the airfield and an upgrade of taxiway lighting to LED. He stated we have to pick a project for 2009 by mid December, have a grant application by mid January for the FAA to issue a grant in February.

There was nothing to report on security.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, December 16, 2008 at 8:00 a.m.

Time at adjournment was 10:14 a.m.

Regular Meeting

Tuesday

December 16, 2008

The regular meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, December 16, 2008 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Kilander, Anderson, Pawluk, Macdonald, Clark

Absent: None

Others: Stewart, Walaker

Chairman Clark presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held November 25, 2008:

The minutes of the regular meeting of the Municipal Airport Authority held November 25, 2008, were approved without objection.

Approved the Airport Vouchers Totaling \$42,248.14:

Mr. Pawluk moved to approve the airport vouchers totaling \$42,248.14.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Cass County Treasurer:

Gen. Macdonald moved to approve the individual voucher in the amount of \$24,644.99 to the Cass County Treasurer for 2008 drain taxes.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Regular Meeting Held December 16, 2008

Page No. 124

Approved the Individual Voucher to Sixel Consulting:

Gen. Macdonald moved to approve the individual voucher in the amount of \$9,264.00 to Sixel Consulting for November passenger enplanement fees (Frontier - \$4,182.00, Allegiant - \$5,082.00).

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$17,923.58 to Flint Communications for Partial Payment Request for 2008 airport marketing program.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Fischer Tree Service:

Gen. Macdonald moved to approve the individual voucher in the amount of \$10,452.00 to Fischer Tree Service for the northwest shelterbelt spruce tree project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Hanson Design Associates:

Gen. Macdonald moved to approve the individual voucher in the amount of \$1,297.50 to Hanson Design Associates for partial payment request for architectural services in connection with the airport entrance sign project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson

The motion was declared carried.

Approved the Individual Voucher to Dakota Food Equipment:

Gen. Macdonald moved to approve the individual voucher in the amount of \$3,690.00 to Dakota Food Equipment for equipment for the coffee kiosk.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$836.33 to Sixel Consulting for reimbursement for November travel expenses.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$2,889.00 to Bergstrom Electric for payment request for electrical installation, Terminal Expansion Project, APFC07.

Second by Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$25,533.47 to TL Stroh Architects for partial payment requests for architectural services in connection with the Terminal Expansion Project (APFC07 - \$1,233.78, AIP33 - \$24,299.71).

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$994.63 to TL Stroh Architects for partial payment request for architectural services in connection with the coffee kiosk.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$162,841.36 to Grant's Mechanical for Partial Payment Request #24 for mechanical construction of the Terminal Expansion Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$76,289.75 to Bergstrom Electric for Partial payment Request #25 for electrical construction of the Terminal Expansion Project.

Second by Mr. Kilander.

On the call of the roll, members Kilander, Pawluk, Macdonald, 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 \$151,274.34 to Bergstrom Electric for Partial Payment Request #26 for electrical construction of the Terminal Expansion Project.

Second by Mr. Kilander.

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

Absent and not voting: Anderson
The motion was declared carried.

Mr. Anderson now present.

Regular Meeting Held December 16, 2008

Page No. 127

Received Change Order M-12 to Grant's Mechanical for an Increase of \$23,539.36:

Mr. Bob Anderson stated he and Mr. Dobberstein met with Mr. Terry Stroh, TL Stroh Architects, and thoroughly reviewed this change order and he is comfortable with it. He stated his concern was that we were not paying for someone's mistake. He stated his number one concern was the warranty and Mr. Stroh has assured us that the warranty is in place and that the mechanical system as it is now after these changes is better than it was originally.

Passenger Terminal Project Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated for all intents and purposes they are done with their contract. He stated the remaining items are the car rental counter doors and the Information Center. He stated there may be just a couple of small punch list items left.

Mr. Dobberstein stated he and Mr. Stroh will be working with Mr. Tom Schauer, FAA, on the formula for AIP reimbursement on the project. He stated Mr. Schauer is no longer with the Airports District Office but he has offered to help us go through the project and determine which items are eligible for AIP or PFC funds and which items are not eligible.

Received Notice from US Department of Commerce FTZ Board:

The communication from the US Department of Commerce, The Foreign-Trade Zones Board dated December 4, 2008 was received and filed without objection.

Mr. Dobberstein stated this is a matter of record to show that our application for temporary/interim manufacturing authority for CHN America, LLC has been approved. He stated the Service Port Director of the US Customs and Border Protection, Pembina has inspected the site and concurred in this request. He they have also asked for permanent authority but we have not received word on that request.

Attorney Stewart now present.

Received Communication from Mr. David Olig Requesting Hangar Ground Lease Extension:

The communication from Mr. David Olig dated December 1, 2008 was received and filed without objection.

Mr. Dobberstein stated Mr. David Olig and Dr. David Glatt own the Northwest Hangar which is located in the south general aviation area. He stated they are requesting a five year extension of their land lease.

Mr. Kilander moved to approve the extension of the lease for the Northwest Hangar.

Second by Mr. Pawluk.

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

Regular Meeting Held December 16, 2008

Page No. 128

Received Update Regarding Airport Liability Insurance Renewal:

Mr. Dobberstein stated he has been in contact with Mr. Marc Lepage, Northstar Insurance, regarding the renewal of our airport liability insurance. He stated it is standard in the insurance industry to not release any quotes until the eleventh hour so it may be a number of days yet before we know anything.

Mr. Pawluk moved the board authorize the Executive Director to put the airport liability insurance in place after receiving a recommendation from Northstar Insurance.

Second by Mr. Kilander.

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

Received Communication from Valley Video Requesting a Lease Extension for the Game Room:

The communication dated December 12, 2008 from Mr. Jim Steen, Valley Video Games, was received and filed without objection.

Mr. Dobberstein stated Valley Video Games has requested a five year extension of his lease for the game room. He stated Valley Video has provided the service for the past five years.

Mr. Pawluk moved to grant the request for a five year lease extension from Valley Video.

Second by Mr. Anderson.

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

Received Proposed Lease Agreement Extension from the Department of Commerce – NOAA for ASOS Site:

The communication dated November 19, 2008 from the Department of Commerce – NOAA was received and filed without objection.

Mr. Dobberstein stated this lease expired on September 30, 2008. He stated this lease is for the land on the airfield on which the ASOS equipment is located and also some space in the East Terminal with computer equipment.

Gen. Macdonald moved to approve the lease extension for the NOAA as requested.

Second by Mr. Kilander.

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

Received Master Agreement from Ulteig Engineers for Engineering Services Term:

Mr. Dobberstein stated Ulteig Engineers is proposing a master agreement as a result of our selecting them as the engineering firm for our FAA/AIP eligible projects starting January 1, 2009 for a maximum period of five years. He stated this is something new Ulteig is proposing and we have not

had such an agreement in the past. It has always been on a project by project basis. Attorney Stewart has reviewed the proposal and does have some questions on a couple of sections.

Mr. Anderson stated he would rather see us leave things the way they are, on a project by project basis.

Mr. Pawluk stated his question is what is the advantage to this?

Regular Meeting Held December 16, 2008

Page No. 129

Received Master Agreement from Ulteig Engineers for Engineering Services Term: (Continued)

Mr. Jon Scaper, Ulteig Engineers, was recognized and stated the advantage is to both parties. He stated it shortens up the review time rather than having an agreement for each project. He stated this is very appropriate for this situation where an engineer is selected for a period of years. He stated with this agreement in place they then just issue a work order for each project.

Mr. Anderson stated things have worked well in the past and he does not know why we would fix something that is not broken. He stated there must be a reason Ulteig wants this and he asked what that reason is.

Mr. Scaper stated they feel this simplifies the process and have used this with many of their other long term clients such as the City of Fargo and the Grand Forks Airport.

Mr. Dobberstein stated our arrangement with Ulteig is still on a contract by contract basis and the severability clause remains the same, a seven day notice by either party. He stated we will still have a legal review of each contract and an independent engineering review of the fee schedules.

Gen. Macdonald moved this item be tabled until a later date.

Second by Mr. Pawluk.

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

Gen. Macdonald stated he thinks it is important to get on the table the fact that we are uncomfortable with what has happened at Ulteig and some of the changes that were made. He stated the person we had the most reliance on for a number of years is gone and it gives him a little bit of an uncomfortable feeling. He stated because of that he is a little apprehensive about committing for a five year term.

Received Proposed Engineering Contract from Ulteig Engineers Associated with Project AIP35:

Mr. Jeff Klein, Ulteig Engineers, was recognized and reviewed the proposed improvement project for 2009, AIP35, which is a drainage project (storm sewer) on the north end of the airport. He stated the area in question does not drain well and causes a lot of surface water and growth of cattails, etc, which makes the area hard to maintain. He reviewed the five phases of the engineering services.

Mr. Pawluk stated to him it seems like this would be a low priority project and asked if there wasn't another project that is more pressing.

Mr. Dobberstein stated based upon the funding we have available this is probably the only project we can afford, but it does address a drainage problem on the north end of the field. Drainage is an ongoing issue and does pose problems with wildlife attraction if not addressed. He stated it will also fulfill our obligation to the County and the City to finish filling in the ditch in that area.

Mayor Walaker was recognized and stated the City of Fargo would be happy to see this project completed because it will address the problem of the bank sliding which impacts the adjacent roadways (County 20 and 31st Street North).

Mr. Kilander moved to approve the project and move ahead.

Second by Mr. Anderson.

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

Regular Meeting Held December 16, 2008

Page No. 130

Reviewed Proposed FAA Capital Improvement Plan:

Mr. Dobberstein stated the FAA requires an annual update of our Capital Improvement Plan, which outlines proposed federally funded projects for the next ten years. He stated the FAA Airports District Offices around the country are calling their airports to ask what projects they would be ready to do should they receive economic stimulus funds. Mr. Dobberstein reviewed the proposed projects on the CIP. He stated it is entirely possible that we may receive money and have to act quickly.

Mr. Dobberstein stated unless there are changes, this is the plan that will be submitted to the FAA.

There were no changes.

Airport Construction and Security Update:

There were no updates.

Other Business:

Gen. Macdonald asked the status of our airline lease agreements.

Mr. Dobberstein stated we will not know about Allegiant until tomorrow but Northwest and United are on line. He stated Frontier has indicated they are fine with the agreement but cannot sign it until it passes through bankruptcy approval.

Mr. Dobberstein stated Mr. Mark Sixel, Sixel Consulting, is arriving tonight to meet tomorrow with the Greater Fargo-Moorhead Economic Development Corporation board and also Microsoft. He stated the purpose of his visit is to collect data from business for air service.

Mr. Anderson now absent.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, January 13, 2009.

Time at adjournment was 9:31 a.m.

