

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
March 8, 2012

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Steve Kaiser, Dr. Kennon Broadhurst

MEMBERS ABSENT: Nate Zeeb

OTHERS PRESENT: Mike Wilson, Bob King, Gary Dahlerup, Jeff Bahr, Kevin Braun, John Aman, Jeff Mitchell, Comm. Mike Wiese, Scott Meier, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:32 am on Thursday, March 8, 2012.

Item #2 – Broadhurst moved approval of the minutes from the February 9, 2012 meeting, seconded by Kaiser. **MOTION CARRIED.**

Item #3 – Kaiser moved approval of the minutes of the Special Meeting held on February 10, 2012, seconded by Broadhurst. **MOTION CARRIED.**

Item #4 – Broadhurst moved the adoption of the agenda, seconded by Johnson. **MOTION CARRIED.**

Item #5 – Next meeting is scheduled for Thursday, April 5th.

Old Business:

Item #6 – Motion to take from the table for discussion of Minimum Standards – Broadhurst moved to take this item off the table, discuss and get completed, seconded by Kaiser. **MOTION CARRIED.**

Item #7 – Approval of Minimum Standards – Kaiser moved approval of the Minimum Standards, seconded by Broadhurst. Included in the packet showed what changes were made. Broadhurst stated page 4 D2 add “(5)”. On page 3 C3, please clarify. Wilson stated he was trying to clarify what exactly was meant by favorable determination. On page 8 Section 2.03 last paragraph refers to 2.10 – where is this located. Wilson stated this should be 2.06 (B). A nother question is on second paragraph where it states that “it is the intent of the airport to promote private retail fuel sale activities. The Aberdeen Regional Airport, however, reserves the right to again establish its retail fuel operations at any time it believes that in doing so would be in the best interest of the public.” Broadhurst stated he does not think it is our intention to start selling fuel. Wilson stated it is not, but if the level of service were to deteriorate, it may be. Broadhurst asked what the level of service is. This is what we need to specify. Wilson stated this is reiterating what the law is that the airport has the right to sell fuel if we feel that service level is not being met. Dahlerup, a local pilot stated he too questions this and if we check with the FAA we may not have an exclusive right. Wilson stated that we do. This was taken out of an Advisory Circular. Wilson added he does not see this happening here. Broadhurst stated but we do not know what the standard of service that would trigger the cause. Wilson stated this is when the lawsuit would come in; if someone felt that they are providing that level of service and the City for some reason felt they did not. Johnson stated this would be hard to define, either way. Dahlerup added this is something we will have to leave up to the court. Aman, Hangar 9 rep asked is it all three FBO’s not providing the level of service. Wilson stated yes. The City would say everyone is done; we are doing the fueling. Aman stated before the City can do this, all three operators would have to fall below the minimum standards of service that no one really knows or have been defined. Aman added they should be given what is expected as far as the minimum standards of service. Wilson stated this is knowing what the operators have to do. They have to be open, provide fuel, and if all of a sudden there is one employee trying to do everything and have contaminated tanks. Chairman Erickson stated in the last paragraph it states “and any other aeronautical service absent and authorized commercial service provider”. Aman stated realistically all three businesses would have to cease operation before the City would assume operation of fuel sales. Wilson stated most cities would not want to do fuel sales either. Minot just gave theirs up a couple years ago. Page 17 (E) needs to correct some typos. Dahlerup stated he has an objection to this paragraph on page 17, Self-Fueling of Private Aircraft. This is the Commercial Operating Minimum Standards, but paragraph E on page 17 is for private aircraft fueling themselves. Dahlerup stated his feeling is that it should not be in this subpart. Wilson stated this again is reiterating what the law is and this is for a person or an organization.

Again this came from an Advisory Circular. On page 20 correct minor typos. Page 28 4.01 change Aberdeen Regional Airport Transportation Director to City Transportation Director and throughout the entire document. Kaiser stated Wilson is limiting himself to the position description. We cannot decide later on easily without changing that we do want a full time Airport Director. If this community keeps growing, we may get to the point that Ride Line needs their own person and the Airport needs its own person. Wilson stated then he will be called Airport Manager. As Broadhurst brought it up, Wilson's title is City Transportation Director. On 4.02, should this paragraph be closer to the beginning so if people have any questions as they read through the document they would know who to get to. Wilson stated the Introduction would be a good place for this. Dahlerup asked how come there is nothing about airlines in the Minimum Standards for Commercial Operators. What if one of the FBO becomes an airline? Aman stated any one of them could apply for Part 121 and go on scheduled flights. Dahlerup stated who's to say this is not happening now. Wilson asked who is doing scheduled flights. Dahlerup stated we have an operator on the field that is applying for Part 121. Wilson stated his thought is if someone gets into an airline status they will have a lot more to do as they will also have to meet the requirement on Part 139. The Airport Certification Manual is dealing with the airline. With this the airline is inspected and the Airport is inspected. Dahlerup stated what he is getting at is to treat everybody the same. Just because they are an airline does not mean they get a free ride. We already gave one of them a free ride before Wilson came on board. Dahlerup stated they are no different than anybody else. Wilson asked how a Part 121 not based on the terminal would meet security requirements. Wilson stated he does not see TSA allowing a Part 121. Dahlerup stated we are going to have a Minimum Standards for Commercial Operators then, we should have a Minimum Standards for the airlines too. Wilson stated we do this on their lease. The intent of these standards is for other tenants not based in the terminal building on the field. Even in the FAA Advisory Circular, they do not touch minimum standards for airlines. Wilson stated he will check on the requirements on Part 121 on the field. After taking a vote, **motion approving the Minimum Standards was carried.**

New Business:

Item #8 – Bills – Broadhurst moved approval of the bills for the month of February, seconded by Kaiser. Johnson asked about the Grote Sheet Metal – an update of the heating system in the ARFF building. This is a new building. Wilson stated this was an on-going problem from before Wilson started. When they installed the heating system, they put the inlet and the outlet right next to the wing walls. They were getting a lot of soot and back-up into the building. Prior to Wilson starting, there was an issue where smoke filled the building. They are thinking what caused it was the wind came in, it hit the wing wall it sat there and spun and changed the flows going into the building. They did not really have a good reason if this was really the problem or not. Last year they came up with a \$5,000 fix to it. They wanted to vent the exhaust through the roof, put a damper on the inlets so it would turn off at certain times and turn on when needed. Wilson asked them if they are guaranteeing that this will fix the problem and if it doesn't will they spend the money to fix it permanently. They said no. Wilson then told them that he will not touch the building until he has that guarantee. Their new plan was they talked to the company that made the heaters. They said that they will guarantee that this will solve the problem for us and we only have to spend money one time. They disconnected the inlet. They did some calculation and saw that there is enough volume in the building to draw the intake for the heaters from the inside, so they have the issues with the spiraling and the wind increasing off the wing walls. They extended the exhaust pipes out passed the wing wall just in case snow was getting in and backing up the system. This was the \$2,000 fix. They guaranteed that it would not happen again with this fix and cleaned everything. Broadhurst asked what about the sand. Wilson stated this is used for runway friction. **MOTION CARRIED approving the bills.**

Item #9 – Financial Report – Broadhurst moved approval of the financial report for February, seconded by Johnson. Kaiser asked if the Delta bill should be SkyWest. Wilson stated SkyWest does not start until March. Broadhurst asked if the space the airline rents is billed in arrears. Wilson stated they prepay their exclusive use space. With SkyWest starting we did not have the bill ready until March 1st. Councilman Mitchell asked what happen with badges that are lost or not returned. Wilson stated they have expiration date on them and we have people if they do not know a person out there, they will be stopped and talked to. **MOTION CARRIED approving the financial report.**

Item #10 – Helms and Associates:

10a: Agreement for Professional Services for AIP Project #3-46-0001-32-2012 Terminal Renovations – Eliminate existing bar/snack area and replace it with an expansion of the secure holding room, baggage claim room and baggage breakdown area - Broadhurst asked why is this coming to the Board, if the Council already took care of everything. Wilson stated he wanted the Board to be aware that he did already run this through the Council. The agreement was received on the 10th and we already had our regular meeting on the 9th. Broadhurst stated why we are wasting our time with this today. There is nothing to vote on. Broadhurst stated it seems to him

there had been a motion sometime ago to use Helms to take care of projects of which this had been written. This Board had done their part. Chairman Erickson agreed and he was at the Council meeting when this was presented. Wilson stated he would like to bring this to the Board's attention, so they do not think that Wilson is hiding anything that is why it is in the packet; but if the Board does not want discussion on this then. Broadhurst stated Wilson can tell the Board what they should know about. Wilson stated he wanted the Board to know that we have the agreement executed. This agreement went to the State and they reviewed all the costs. Now, we will start on the design of the project. Then we will come forward with the actual design once they figure out what we are doing with the project just in case the Board wants to tweak the design. Broadhurst stated he does not know how the terminal was handled. It seems to him that an architectural firm was the one that handled the building. Now, this is an inside building project and Broadhurst does not understand why HKG was not the one. Wilson stated it would cost us a lot more money, time and headache to run this through just HKG. We do a qualification based consultant selection every 5 years. Our consultant is Helms and Associates. If Wilson used any other companies or HKG for anything then he will have to do another qualification based selection process. And we will have bills coming in from a company that does not work with airports very often and our office will have a lot of headaches trying to sort through all their bills and payments where Helms and Associates works for airports that is why we run this through our consultant. We should never do a project without running it through Helms because the paperwork is handled better. Wilson added this is why last month we had a \$5,000 bill for stuff on the Fire Station project. Broadhurst stated Wilson is saying that this did not go through Helms. Wilson stated yes. Kaiser stated part of it is how sophisticated Helms and Associates can get in architectural work. Wilson stated Helms and Associates is using HKG as a sub. The agreement also shows HKG costs for the project which is on page A-1. Broadhurst asked how would one know that these costs are HKG as it does not say on the page. Wilson stated the agreement does not spell it out. It just says sub-contract. Johnson stated we are creating a bathroom and omitting a bathroom. This seems like going to be a lot of expense. Wilson stated agreed, but would we want the bathrooms at the end of the security line where they are currently are. Johnson stated this is all depends how we utilize the space. Wilson stated what he is trying to do is to have all TSA in one area and not have to do private screening somewhere else and walk people through the hold room. Right now their private screening room is right in front of the bathrooms. Chairman Erickson asked how soon will they work on this. Wilson stated they will meet with TSA next week to see what all they need. The drawing is all preliminary. TSA might have different requirement; they might come up with something different. Wilson stated the work may start sometime in January 2013. Kaiser asked how much square footage addition are we doing for the holding area. Wilson stated currently we have seating in about 400 sq. ft. We will be closer to 1,200 sq. ft. afterwards. Comm. Wiese asked if SkyWest is aware that it will be shared space. Wilson stated they talked to SkyWest who prefers to know ahead of their bid what their lease is going to be. They were happy of what we decided. They do not have an issue of the increase in space as long as we let them know ahead of time. Comm. Wiese stated when it was originally done, TSA had promised us that they were not going to encroach in the space and it's been this way ever since. Just before we opened that they suggested that they will be taking that space. Wilson stated TSA was not even in existence when this building was drawn up originally. Comm. Wiese stated it was a consideration, but they promised us their design and criteria at the time when they are just being developed that they will not encroach on the space and they very quickly did. This is understandable, but it's just been a huge limitation since then.

10b: Pay request for AIP Project #3-46-0001-31-11 Ag Sprayer Taxilane, PE #7 in the amount of \$2,067.67 for Construction Administration – Kaiser moved approval, seconded by Broadhurst. Wilson stated in talking to Muntean this is for coordinating with Vosika and Lien Transportation. They also had a meeting on site on the electrical power issue where we are getting power for the fences and the gates. There was also a meeting held with one of the Ag sprayers. Muntean does apologize for not being here and Terry Helms is available by phone, if needed.
MOTION CARRIED approving PE #7.

Item #11 Airport Manager's Report

11a: SD Annual Airport Conference – The annual SD Airport Conference is being held next week out in Deadwood at The Lodge. Any member of the Board that would like to attend can still register.

11b: FAA reauthorization – The President did sign the bill for FAA reauthorization. We will be dropping down to 90% Federal funding. Wilson will find out next week on what the State is planning to do. Currently, they provide 3% funding and may go as high as 5%. Wilson is guessing the State may go 4% and the City will have to cover 6% which would triple the amount we were planning to spend on all of our AIP projects.

11c: FAA Re-organization – The FAA is having some reorganization take place. The Bismarck ADO and the Minneapolis ADO are becoming the MIN/DAK ADO. The reason they are doing this is that they want

standardization on all 29 offices across the country. There are 20 ADO's, and there are 9 regions. With the standardization, they feel they need 10 to 20 employees in each ADO. They can have their specialists in different fields and internal resources that they can count on. Wilson was not too thrilled about this. He went to the meeting in Pierre for it. The City Manager was also there and they voiced their opinion that they think that this is a way that pretty soon the ADO in Bismarck will disappear and we will have to deal with Minneapolis on everything. Wilson was told this is not going to happen and that Bismarck is actually gaining one employee. This will bring the total amount between both ADO's up to 12 employees. Tom Schauer will remain in Bismarck. He will become the Asst. ADO Manager and Steve Obenauer will be the ADO Manager. Wilson also asked if the ADO Manager position could ever be in Bismarck and they said no. Because the Minneapolis airport is in the Minneapolis ADO, the manager will be where the biggest airport is. Another question that Wilson and the City Manager had is how many other ADO's is this happening to where it is becoming joint ADO's. Beckley, WV and the Washington ADO are merging. Phoenix is getting a new ADO. Currently there isn't one there and they will be merging with Los Angeles until they are up and running as a full ADO. Grants and everything else, we will still deal with Bismarck. Aman asked if the 7460's would still go to Bismarck. Wilson stated that it would and the contacts are also online. They said we are not really going to notice any difference with this. This will be phase in over the next 5 years. Terry Helms, Bob Babcock, Sam Muntean and Corey Helms were also at the meeting, so we had a lot of representation from Aberdeen. Terry Helms' idea was to close both ADO's and open one in the centralized location geographically set it on the three States and chose Aberdeen for the location. Helms also said that Obenauer is getting too close to retirement age and has no issues with him as manager, but Helms' concern is the next manager, what's going to happen; are they going to want to close Bismarck.

11d: SkyWest – SkyWest did sign the lease. They took over on March 2nd. Their 14 flights will begin on April 1st. **Fares** - Wilson did some checking. Once SkyWest took over, the prices dropped. One way ticket to MSP is \$256. Round trip to Minneapolis is down to \$212. Previously we have been at \$340 through \$380 to Minneapolis. Some Saturdays and Sundays are higher, but they have definitely dropped our prices.

11e: Airport Board Ordinance – Wilson stated the ordinance went through the City Council for two readings. This passed and it will be in effect March 21st. Afterwards, the Board has to come up with Board by-laws. Kaiser asked on 10.20 it stated two members “may” reside within 20 miles of the corporate limits of Aberdeen. Does this mean two “must”? Wilson stated no. The intent is that they can be from the City or 20 miles outside of the City.

11f. EA – We had the hearing and Muntean is still working on all the comments. He will be answering comments, questions and concerns. He will then make minor revisions and sending this to the FAA.

11g. Zeeb's Resignation – Wilson stated he had emailed the Board about Zeeb's resignation from the Board. Zeeb had taken a position in Sioux Falls. Zeeb's term is up in June 2012. We will plan to replace Zeeb, hopefully by June.

11h. June Meeting – Wilson stated he has a mandatory four day Guard Drill in June and will be gone on the 7th. We will have to reschedule the meeting either on June 5th or 6th. The Board decided that Wednesday, June 6th will be the June meeting date.

Item # 12 - OTHER:

Comm. Wiese stated he went out Sunday and came back last night on SkyWest. They seem to be pretty punctual and pretty happy to be here. Wilson stated we are glad to have them here. We met the person that we are going to be dealing with for billing. He toured the airport and the people for the airline had been in three times now to make sure that they have everything the way that SkyWest wants it.

Chairman Erickson asked on the round table at the conference what will be the topic for biggest issue at an airport. Wilson does not know what they are planning. He thinks it might be promoting the airports and what problems have you seen at airports. They dropped the ball on the info of what they wanted. Wilson added he just found out yesterday or the day before that he needed to have his biography in by Monday of last week.

Braun asked with the new ordinance for the Airport Board, are the four members now considered to be in City or out of City. Wilson stated that Johnson is not in City limits. Braun stated so the other candidate could be 20 miles out of the City limits. Wilson stated yes.

Braun asked from last fall, what is the status of the GA entrance road. Wilson stated the City Engineering

department is still working on the specs. They had a meeting last month and they went out to look at road. Then the weight limit took precedence over this. Wilson will check to see where they are on this and we should be bidding it sometime soon. Wilson stated he already has the funding for this project.

Chairman Erickson asked has there been any discussion on the Air Show project. Are we going to wait till next year? Wilson stated he would like to come up with something sooner. Start getting things in the works at least maybe start some fundraising. Do we want to discuss this next month or do we want to schedule an Air Show meeting? Chairman Erickson stated schedule an Air Show meeting. Johnson stated we also need a Chairperson for this. Wilson stated this year Sioux Falls and Duluth are having an Air Show.

Kaiser moved to adjourn. The meeting adjourned at 12:59pm.