

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**  
**Regular Meeting**  
**April 5, 2007**

**MEMBERS PRESENT:** Dr. Kennon Broadhurst, Steve Kaiser, Tom Scheid

**MEMBERS ABSENT:** Mike Erickson, Patrick Schloss

**OTHERS PRESENT:** Dave Osborn, Bob King, Terry Helms, Kevin Braun, Mark Lehrkamp, Chris Arment, Jackie Burke, Ryan Swenson, Walt Bauer, Barry Parkin, Dean Knie, Rhea Ketterling

Chairman Broadhurst called the scheduled regular meeting of the Aberdeen Regional Airport Board to order at 11:30am on Thursday, April 5, 2007.

The March minutes were distributed along with 10 pages of questions and answers pertaining to items of old business. Chairman Broadhurst stated these were mentioned at the last meeting and would entertain a motion to accept the questions and answers as an addendum to the March minutes. Kaiser moved, seconded by Scheid. Motion carried. Motion to approve the minutes from March 8, 2007 meeting with the addendum of the questions and answer was moved by Scheid, seconded by Kaiser. Motion carried.

Old Business: (Allegiant Air) Osborn stated he contacted Allegiant Air and thanked us for expressing interest in their airline. After taking a quick look at the Airport they had some concerns about the size of the catchment's area as we would be taking people from Fargo and Sioux Falls which they have already established and their interest were limited based upon airport runway size as they use MD83's and MD87's. Kaiser asked if they would do flights on a monthly basis. Osborn stated they are not interested in the Aberdeen market as they already have some established in the area and this can be reviewed again at a later time. (FBO Inspection) Osborn stated he had talked to Fire Chief Winter and last year they did inspect the FBO's according to some of the report the Chief received from his staff. The Chief would like to increase this as new staff comes on board they also get to come to see the terminal and FBO's. (Great Lakes) Osborn stated he made contact with Norma Courtney who last time was to write to the Board about the lease. The email Osborn received from Courtney on Monday stated that the lease had been forwarded to Mike Mathews who oversees the leases and Osborn has a call into him and has not had a response. (FBO signs) Osborn stated he had talked to the City Attorney. At this point Osborn had not heard back from either of the FBO's if they are going to utilize the sign as last month they were asked to let the Airport know prior to this meeting and have not heard from them. Osborn had informed the City Attorney that the Exchange Club is the first club who had actually come forward and asked about it. The City Attorney has no problem with them using it as a Welcome to Aberdeen and Thank you for visiting sign, but if there are other clubs who would be interested then we might have to go to a timeline for them to be on it and or if more than one can occupy at the same time. The City Attorney did not see this as a rental idea or a rental need; it could just be a way of our community having other clubs involvement of being part of the Airport. (Aviation Direct Access Screening) Chairman Broadhurst asked if there would be more information on ADAS. Osborn stated this was information shared with the Board that more access areas will be checked by TSA and are handled by TSA.

Kaiser moved to pay the bills for the month, seconded by Scheid. Osborn added the Northwestern Energy bill \$11,510.18 which does not include the Fire Station as they did not get a reading last month, NVC 205.25, Best Western Kelly Inn \$260 lodging for Osborn and King, Erdmann Oil \$1,782.31, King \$30 for meal allowance, and Osborn \$189.36 for meal allowance and mileage; total bills \$22,386.01. Kaiser moved to amend the motion to add the additional bills, seconded by Scheid. Motions to pay the bills for the month along with additional bills presented were carried.

An updated financial report was emailed to the Board which included the receipts through the 30<sup>th</sup> of March. The total income for the month is \$162,515.61. Scheid moved approval of the financial report, seconded by Kaiser. Motion carried.

Update on the Airport meeting with FAA and the State held in Yankton. Osborn stated our plans for the Airport were discussed during the meeting. The funding is being reviewed by Congress this year and we are looking at where we will be with our entitlement dollars; hopefully nothing will change. The whole thought process with the FAA and State is planning and one of the things discussed was our Runway Protection Zone issues as we want to protect our community as well as the Airport. Two possible scenarios were discussed one to have an independent party to review our Runway Protection Zone and spend money to do this and the other option is to look at the Airport and review our Master Plan which was last done in 1997 approved in 1998. Osborn stated the current Master Plan has a lot of emphasis on this terminal building not on the Airport as a whole. His suggestion is to work with an independent group to redo the Master Plan which is AIP eligible. One of the things the Airport will be faced with if we do not redo the Master Plan is if we do not have things planned in the future because of our old Master Plan we may not be able to use airport entitlement funding. The first option is an option to take care of the Runway Protection Zone, but the second choice really encompasses that we take care of all situations at the Airport. We could get more FBO's involvement to talk about what they like to do in the future, the Board, and also the Airlines. Osborn added they had a chance to visit with one company of what will it cost to do a Master Plan which is a range of \$200,000 to \$250,000. It would be a lot wiser for us to look at the Master Plan as a whole and had informed FAA that he will take this to the Board to see what the Board's intent is. Terry Helms, Helms & Associates stated as they sit and try to analyze the RPZ issues; moving the runways or buying land both causes other issues. Helms stated he thinks that everyone is cognizance of the fact the anticipating development adjacent to the Airport on the South side. There are also people talking about greatly increasing airfreight at this Airport which we really do not have the type of apron that is capable of handling larger airfreight aircraft. All these issues along with wildlife issues and instead of just focusing on the RPZ's issues; FAA, the State, Helms and Osborn had concurred that a Master Plan is the right thing to do. Helms stated there are people who specialize in this work and there is one who is working with Bemidji which is an airport that has the same issues like Aberdeen. Helms suggested HNTB to be one of the companies the Airport would want to talk to. There is also another company out of Kansas City who had done work in Sioux Falls, Fargo,

and Bismarck. Helms stated their thought process with talking with the State and FAA, the Airport could contract with one of these companies through Helms. There can be a selection process to get some input from these companies - a Statement of Qualifications and Helms can review these and make their recommendations. Instead of taking another 90 to 120 days to get through the selection process, Helms could get this done in two weeks and thinks that this is the direction the Airport should go. Helms added this would be the third Master Plan that he is aware of that this Airport had gone through in the last thirty some years. Scheid asked how often airport like Pierre, Brookings, Bemidji and Sioux Falls renew their plan. Osborn stated Master Plans are typically written for a period of ten to twenty years, but things could change so much within those years like environmental and wildlife changes. Osborn added dollars spent on the mini master plan this year, most of the information on this can be used in a full blown Master Plan. Osborn stated their emphasis is not just to consider runways, taxiways, parking area, wildlife that we also have to consider that there will be an environmental assessment. These are to be documented and done in the planning process because if it is not there, we do not get any entitlement dollars. Osborn stated they did meet with the City Attorney, Mayor and City Planning Director to make sure that what we take to the Board does not have a negative effect on planning with the City. We are a City entity and we are on City boundaries and at this time there are no planning issues. With FAA and the State realizing that a bidding process can take a long time where we have issues on land development now, we also need to make sure that we do not have a problem with lawsuits and that we are fair to the people who owns properties outside the Airport and that we are trying to be as expedient as possible in resolving some of these issues. Osborn stated with meeting with FAA our future funding is based on what we have planned. We already have dollars that are committed for Taxiway Delta which is the project for the next year. The expense for the Master Plan may have to come out of our PFC dollars through the City as we have an account set aside when passenger uses the Airport as it is there for this type of a project. We can use the PFC funds to pay for the Master Plan and next time we re-apply for AIP we could get this money back. Kaiser stated Helms mentioned two different firms and asked how the plans are different when they are done. Helms stated they will be dealing with the same Airport issues. As to how different they would be, Helms does not think there would be a great deal of difference as the Airport and its Board would have some input in the process. Kaiser asked what is the percentage of the planning process basically is earmarked the way it is because of the firm that is hired versus what the other inputs are. Osborn stated it is our Master Plan and by having meeting with the Board and others, the firm hired are getting information and we will talk about the scope of work we want them to do. As we go along with the Master Plan there will be various stages that we will be reviewing and the Board will be part of this review. The intent is that we are doing all the planning we can and we meet with the FBO's, the Airlines, and other people in the community for their input. This is not a simple process and that it could take a year. Helms stated the shortest timeline is about a year and longest would be about eighteen months. Kaiser stated his feeling is that it is very important that we hire the right firm. Helms agrees with the hiring the right firm, but to pin down what percentage they will be identical on is impossible for Helms to do. Helms recommendation is to get a Statement of Qualifications and part of this would be to meet with past clients and Osborn will be involved in determining which meets the needs and best accommodates Aberdeen. Chairman Broadhurst asked about the last firm that was involved in the last Master Plan which he thought was from Bismarck. Osborn stated it was KLJ (Kadmas, Lee and Jackson) and he had talked to Helms to not to use this firm as Osborn thinks this firm does not treat each airport separately. Chairman Broadhurst asked what is needed from the Board. Osborn stated their recommendation is to move forward with the Master Plan and get Helms involvement and the cost involve. Scheid moved approval to move forward with the Master Plan and to get the cost involved, seconded by Kaiser. Kaiser asked what the downside is if we went ahead with the Master Plan versus moving the runways. Osborn stated if we look at the runway there is always something the catches you that could delay the projects like waterways situation and environmental assessment, so we have to do the planning process. Helms added the downside with the Master Plan would probably be that it would take a little bit more time. Kaiser asked does the City have financial commitment that it can and cannot afford. Osborn stated the City does have the Airport's PFC funds to cover this project which he met with the Finance Officer to make sure we did not have problem if we have to pay for everything. This would have to go through City Council, but the approval from this Board is needed first. Helms stated currently the AIP bill on the revenue are all up for reauthorization. Both legislations have said that they will take FAA funding back to 90% instead on 95%, City 6% instead of 3%, and State 4% instead 2%. With this change, they will also take the PFC charge from \$4.50 to \$6.00 so there will be about 33% increase on PFC. Kaiser thought that Thune had said that this will not pass. Helms stated he thinks the PFC dollars would, but not the fuel tax. Osborn added the FAA representative from Great Lakes had thought that the PFC will pass, but there had been a lot of discussion where entitlements are going to be. The motion to move forward with the Master Plan was carried with all members present voting aye. Osborn informed the Board that the DOT had distributed a Primary Guiding Workshop for Grant which includes management consulting, lease and rates changes which the City Attorney had received a copy of.

Scheid moved approval to pay Great Lakes Airlines in the amount of \$61,314 for February activity, seconded by Kaiser. Scheid asked if the final contract had been received. Osborn stated as he had mentioned in the Old Business we have not, he had made contact and had not heard back. Motion to pay Great Lakes Airlines for the February activity was carried. Kaiser moved to pay Sixel Consulting Group in the amount of \$10,203.30 for Media Buy and Print Production, seconded by Scheid. Scheid asked what is left on the Advertising budget. Osborn stated he does not have this figure available and will email. Motion to pay Sixel Consulting was carried.

Helms distributed a Grant Summary Request for AIP Project #3-46-0001-26-2006 where Helms pointed out that the City's cost was down for what was forecasted in July (July 2006 - \$246,518.25 compare to April 2007 - \$242,765.88). Helms stated about two or three months ago there was request for final change order for the SRE Building and Helms had requested that he needed to review it. Helms had done this and presented the final change order for the project. Helms stated what this change order does is increased the final cost of the SRE Building by \$22,166.01 which are for items that are added and deleted from like the additional fence corners and items that are directly related to the building which the biggest item is the well field glycol solution. There was an independent contractor that came to install the well field to minimize timeframe and cost. In the process it was missed to include in the spec of this contractor or the mechanical contractor to provide the glycol for the well field. Helms stated the \$12,606 is a one time cost for the glycol and its installation and had been negotiated with the contractor. Kaiser moved approval of the Final Change Order for AIP Project #3-46-0001-26-2006 in the amount of \$22,166.01, seconded by Scheid. Motion carried. Helms also presented to the Board pay estimate #11 for AIP Project #3-46-0001-26-2006 from Steel Structures for items installed to date in the amount of \$41,750.35. Scheid moved approval to pay Steel Structures in the amount of \$41,750.35 for AIP Project #3-46-0001-26-2006, seconded by Kaiser. Motion carried.

Helms stated part of the Taxiway Delta Project that is coming up this year is the design and are anticipating getting some discretionary money for this. Helms stated geotechnical work is needed to be done which is soil boring, drilling the old asphalt/concrete to see what condition it is in. Helms stated what they do is solicit cost proposal for this type of work from companies that do this in this area. A

summary of four proposals for geotechnical services were distributed which are from American Technical Services for \$5,020, Midwest for \$5,500, Tetra Tech for \$5,840, and Soil Technologies for \$6,488. Helms gave his recommendation to accept the proposal from American Technical Services to do the geotechnical services for the Taxiway Delta Project. Kaiser moved approval to accept the proposal from American Technical Services, seconded by Scheid. Motion carried.

Osborn stated in years past with Antonides contract we had allowed 100 hours to do contracted work for wildlife. This contract is brought up every year to renew the 100 hours at \$35 an hour, which Antonides is not increasing. Osborn added there was a change in FAA regulation referring to AC-150/5200-36 which talks about training for people who does wildlife. Osborn received a copy of an email that Antonides sent to Birke Rhodes, FAA asking for clarification with Antonides 23 years of service with wildlife if he needs this additional training. Kaiser moved approval of renewing Antonides contract for wildlife services, seconded by Scheid. Motion carried.

Osborn distributed a spreadsheet for Hangar Rental rates and recommended to the Board that the 5' perimeter around the hangar be taken out and look at it based on comparable with Rapid City, Watertown, and Sioux Falls of charge \$0.11. If we take \$0.11 without a border, for someone who pays \$334.95 the rate will increase to \$380.16, which is not major increase. The average rental based on all the hangars we have right now is \$23.77 with the proposed increased it would be \$25.70. This is a very minimal increase, but still puts us in line with FAA. Kaiser asked how long Sioux Falls, Watertown, and Rapid City have been in the \$0.11 rate. Osborn stated since we started looking at hangar rent, as to how long they have been he does not know. Scheid asked if there are any improved hangars. Osborn stated there are some with water and sewer, but this is not an issue at this time. Osborn's suggested if the Board approves the proposed increase a letter will be sent to hangar owners to let them know that there will no longer be a border area. The rental will be based on the building and their apron that connects to the taxiway. Mark Lehrkamp asked if he would get a rebate as his hangar was inaccessible the whole phase 2 of the taxilane project. Lehrkamp stated he was supposed have access and be able to get his plane out and the mooney did not get moved. Osborn stated he had a conversation with Lehrkamp concerning this issue. At the time they talked, Osborn was trying to work with Braun on the other hangar and talked about the possibility to move up to another hangar, possibility of us paying rent, make some other options and this did not happen. Osborn stated we tried to make other program available and does not think that the Airport should be responsible. As for the mooney we had worked with the owner and the mooney was moved. Chairman Broadhurst asked to discuss the hangar rental. Osborn stated his recommendation is for the rental to go to \$0.11 with no border. Kaiser asked if a letter will be sent out if this is passed. Chairman Broadhurst stated if he recalls correctly the \$0.11 will come up when the lease is renewed. Osborn stated this is how it was handled in the past and according to the City Attorney we could make it retroactive as of today if we want to. Chairman Broadhurst stated there is no escalation clause in the existing hangar leases, so it would be a little bit unfair; but with new leases maybe an escalation clause should be put in. Scheid stated we really need to increase our rate, but we also need to take a look at adding that if we change the rate it should be effective the day of. Scheid added in his opinion we are still not in line as for someone who just signed a lease they would be paying the old rate. Osborn stated if the Board wants to look at having escalation clause starting May 1<sup>st</sup> we will make sure that the May contract on is looked at by the City Attorney. Kaiser stated the escalation clause will only apply for those leases that would come up. Osborn said this is correct with an effective date of May 1<sup>st</sup> as they come due. Braun stated we are proposing to take the 5' border out and what happens to the lawn care and snow removal. Osborn stated staff are already getting as close to the building as they can for mowing and for the snow removal we will get as close as we can about 2' from the doorway and this is for private hangars only. Scheid moved to increase the hangar rental rate to \$0.11 and to add the escalation clause to hangar leases as they come due (if the Board decides to increase the rate during the contract year that rate takes effect immediately), seconded by Kaiser. Motion carried.

Osborn stated the land area that is being occupied by the National Guard at this time is 255'x350' and they are asking for an increase of 200' on the east end of this existing area. This will make their total to 2.84 acres and had discussed charging this as farmland as it is unproductive. The rate will be \$61.06 for a year. Osborn stated we are required by FAA to make sure that we have a new contract in place and that there are rental charges. Osborn added when the Guards talked about their expansion they were told the contract would have to be change and we would have to do a rate which the rate is compatible to cropland. Scheid asked if the Guards are acceptable with this rate as this is not really cropland. Osborn stated when the Colonel was here he was informed about our requirement with FAA and they did not have a problem with this. Kaiser moved approval of the rate for the Guards, \$61.06/year, seconded by Scheid. Motion carried.

Chairman Broadhurst stated apparently from lack of knowledge, variations of a City Ordinance occurred recently. The Airport Manager sent both FBO's a letter along with a copy of the Ordinance. It appears that this is the proper thing to do.

Osborn stated he just wanted to make sure that it is understood by the Board that our entitlement dollar is up for review. This was discussed with Senator Thune during his recent visit and discussed with FAA from Great Lakes during the recent meeting in Yankton. Osborn added as far as the Airport just like every year this comes up for reauthorization and we give our Senators our input and insight with all the discussion that we try to keep our current level of funding, if not an increased.

Osborn stated when he was in Yankton he was informed of a letter from Braun from Quest that is addressed to Board. Osborn did contact the City Attorney and the last time they visited all he had was the escalation clause and Osborn thought that he was done with it. Osborn stated when he got back from Yankton, he also contacted Bill Bowen, Quest attorney and as of that Friday the extension of the lease has not been received. Osborn stated he brought this up yesterday with the City Attorney and this had been completed and Bowen is reviewing this now. Osborn apologized as he had assumed that this was complete and that the Attorneys were working on it. Braun stated that their legal could not get an answer through the City. Osborn stated hopefully by next month this could be brought back to the Board for their approval. Osborn stated the other comment he would make is the lease is up to 10 years as it is written for 5 years with escalation clause. Chairman Broadhurst asked if this gives Braun temporary relief. Braun stated it's disappointing that it had taken this long and that he should not have to go through the hurdle.

Bauer from Mesaba stated during the winter planning at the beginning of the year before snow actually fell he requested runway condition and breaking action reports as they have to document and hold them for 90 days. Bauer stated they do receive a hard copy the breaking action and the Airport writes the runway condition on the board in the backroom. Bauer added they had an incident where an aircraft had to return because ice had collected on the aircraft and he had no hard copy of the field condition to refer to. Bauer requested instead of getting

the field condition on the dry erase board, if he could get the hard copy instead. There is a copy posted on the board, but the two airlines have to share this information. Osborn stated we could make a copy of this report so both airlines would have a copy and in future we will get a multi carbon forms. Scheid asked how often this is done. Bauer stated as field condition change. They had an aircraft that had to come back as it collected quite a bit of ice because the last condition we had was clear. Osborn stated as soon as staff heard of this they did an inspection and found nothing. Bauer stated when this aircraft landed there was a lot of slush on the runway and the City did remove it.

Kaiser stated it was discussed last year, but nothing was accomplished about the landscaping around the building and what else we might be able to do to improve the look of the outside of the terminal, terminal area, and parking lot. Kaiser asked if there are any volunteers who would work with him to look at the issue and bring something back in the next meeting. Chairman Broadhurst stated Osborn and Kaiser could work on this and made Kaiser the Chair for this committee. Kaiser can choose from other members to help on this project.

Osborn went over the budget summary for 2005 and 2006. Osborn stated one thing that throws the budget off is the transfer in and transfers out. What this is, is when taxes are received through the State it is issued to the County and the County transfer this to the City funds and the City puts this into our account. Osborn stated this is hard to budget for as he has no idea what this number would be.

Osborn stated at their meeting in Yankton, FAA had discussed their plan for the next 5 years of which a lot of it has to do with safety. Their plans for the future are to look at airports to make sure that they are safe. Osborn added one of the comments that were said to them was be aware that at any point in time we want to visit your airport and look at private hangars we have the right to do so. It was discussed in the past that people should have airplane in their hangars, don't use it for private use only. FAA had also said if they came and saw personal items in the hangar they may talk to the owner of that hangar. Osborn stated he just wanted everyone to be aware of this.

There being no other business brought before the Board, Scheid moved to adjourn, seconded by Kaiser. The meeting adjourned at 12:44pm.