

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**  
**Regular Meeting**  
**February 3, 2005**

**MEMBERS PRESENT:** Chuck Bensen, Jim Krueger, Steve Kaiser

**MEMBERS ABSENT:** Dr. Kennon Broadhurst, Rolf Johnson

**OTHERS PRESENT:** Dave Osborn, Allen Beckler, Stan Beckler, Kevin Braun, Sam Muntean, Bob King, Mark Anderson, Scott Waltman, Jim Beckrich, Comm. Omland, Rhea Ketterling, Jim Sandvig

Chairman Bensen called the regular meeting of the Aberdeen Regional Airport Board to order at 11:35am on Thursday, February 3, 2005.

Krueger moved approval of the minutes for the regular meeting held on January 6, 2005. Seconded by Kaiser. Motion carried.

Two Airport maintenance employees were recognized for not losing time in 2004, they were Charles Forrest and Robert Pagel.

Old Business: (Land) Mark Anderson distributed a list of items that were discussed in a meeting held with the farmers on January 7<sup>th</sup>. The items discussed were length of the lease which will be for 5 years with renewable option for 5 years which Osborn had check with FAA and is allowed for this type of contract. Anderson stated the reason for the renewable option is because the farmers concern on making sure that they recover from what they had invested on spending the time on planting. There will be no rent for the 1<sup>st</sup> two years as it may or may not take hold which the 1<sup>st</sup> two years will serve as a service contract where the Airport provides the seeds and the farmers doing the planting and cutting; thereafter the rent will be based on SD Farm Real Estate Market Survey for low productivity hayland which is currently at \$20.90/acre. Weed control was discussed with the Lessee; however the Lessee wanted to emphasize that we also need to take care of the weeds in our area. Access problem was also discussed with the farmers, along with the number of cuttings, timely removal of bales, and having adequate communication. Anderson stated being mindful of livestock restrictions on or near Airport property was briefly discussed, but will not be a contract point as our land is not pasture land. Anderson stated it was brought to him after the meeting with the farmers by Osborn the idea of having one farmer have the entire lease for land (about 550 acres) and allow subletting as necessary. Anderson stated this would make our communication and contact point more easily and somewhat relieves the access questions. Osborn stated the possibility of looking at one farmer having control will help solve some of the issue like access as we do not have a lot of extra dollar to create new roads, fences and gates. Stan Beckler, a farmer stated the best time to cut for quality hay is in June, but being it will be the first year it is not even worth the time to cut as brome grass does not grow much during the first year. Allen Beckler another farmer added if we cut during the first year the winterkill would be easier. Anderson stated the main key is that we have open communication to maintain within the FAA requirements with the hay not getting too high and removing the bales on a timely manner as it does not cause an obstruction. With requiring the number of cuttings the Airport has the ability to request the cutting. Stan Beckler stated the Board has to understand that when they had crops they can insure themselves for those crops as their income is guaranteed through federal crop, but with the hayland there is no guarantee. Stan Beckler asked as a farmer how would he recoup for planting the airport if the lease is released to one person. Osborn stated by subleasing the land we have to make sure the farmers are involved to get access to the land that they talked about already. Secondly under that agreement the farmer who has the contract would talk about how payments would be made in deadline and the Airport would assist as much as we can on this. It was stated that the access problem is with the land that Duttonhoffer, Schumacher and Svarstad is farming. Osborn stated that he is working with the FAA again to try to get some of the slough area filled as he had worked with Corps of Engineer and Wildlife Services before. As mentioned before FAA wants an environmental study done. The information received from the Corps of Engineer and Wildlife services had been turned into Helms and Associates to see if we could get an environmental exclusion, so we could fill and solve some of the access problem. Chairman Bensen asked how we would control if we lease to one farmer the fact that the farmer who has the lease might lease some land that is not good and keep the good land for himself. Osborn stated this is one of the questions that Anderson had. It was talked about having a statement to protect each farmer and guarantee a spot. Osborn added as for land they currently have now is profitable or not, he is not sure if this can be controlled. Allen Beckler stated Duttonhoffer and Svarstad have a good size to farm, but most of the land is being farm by him and Stan Beckler. Allen Beckler stated his feeling is that each farmer should have their own lease. Chairman Bensen's other question was how we can control the price on subleasing. Osborn stated that this is another restriction the can be put in the agreement. Osborn stated one of his thought when he presented this is that time and time again it was mentioned that there were promises made to the Beckler family. Under this circumstances by having one leaseholder some of the problem will still continue even though it is under contract, but there would be some control and ways to help work on some of the issues. Osborn stated it would be a benefit for the Airport to have one person to talk to. Stan Beckler stated there would still be problems with security issue as farmers who leases would have keys. Osborn stated security is an issue that we continue to work with. Stan Beckler stated his feeling is the same as Allen Beckler that he would rather rent what he has now. Kaiser wanted clarification on the contract rate. Anderson stated we would follow the rate under the SD Farm Real Estate Market Survey, the first two years would be rent free and the three year left remaining on the original five year contract will be price on what the market value and when the contract is renewed for another five year then a new market rate would be looked at. Stan Beckler was asked for his input on rate fluctuation, who stated if we go through a drought cycle the rate would go down and one thing that has not been mentioned is that the life expectancy of a highly managing brome grass is four to five years, but can be expanded by fertilizing. Anderson stated that fertilizing was an issue that was discussed but not agreed to whether the City would include paying for the cost of in which could extend the life and the yield of the grass so it does not have to be replanted or we would again provide the seeding when it needs to be replanted. Anderson stated this is an option that needs to be looked at and be aware as well. Chairman Bensen stated the Beckler's are willing to give the hayland a try for at least five years. Osborn stated that most of the farmers who were at the farmer's meeting did agree

that they would farm. Osborn stated the only change is that how we would handle the contracts. Krueger asked if having one farmer responsible for the entire contract was discussed in the meeting with the farmers. It was reported that it was not. Stan Beckler stated it was brought to his attention before the meeting by one of the farmers who were thinking of getting all the land and subleasing it to horse people. Stan Beckler informed this person the Airport would not agree to this as it opens up more key to a lot of people. Stan Beckler stated the biggest thing is they also want safety as they also utilize this airport. They might disagree with the plan, but they are willing to work with it. Stan Beckler added something the Board might think about is planting the brome seed which right now Wheat Growers wants \$12.50/acre and with it being a long fluffy seed it has to be mix with something to plant. Stan Beckler stated it would probably take about \$20.00/acre just to get it planted and established plus the spraying. Stan Beckler stated he charges \$4.00/acre for the sprayer plus the spray. Chairman Bensen stated no matter which way the Board looks at this it would be a cost to the City and we cannot let the ground do nothing and we do not have the equipment to take care of the grounds. Osborn stated his suggestion is to follow what had been discussed with the farmers by the City Attorney as there is money in the budget for seeding, but not for farming. Osborn stated what we are trying to do is to work on workable situation which works for both sides. Osborn stated he sees the Airport benefits by having someone takes care of the land. We give up income for two years, but we are also following the Wildlife program. This also gives us the opportunity to review the Wildlife program would work and if there are issues we would have something to go back to, to show if we have problems. Krueger moved approval of the items discussed in the farmers meeting to be included in the contract with the exception of leasing to one farmer. Seconded by Kaiser. Motion carried. Osborn stated he would like to talk to the Beckler's regarding the purchasing of the seeds and storage as they have the majority of the land acreage. Stan Beckler stated seeds should be ordered within the next 30 days. Krueger stated the Airport Board appreciates the farmer's cooperation on working with the Board and is very lucky to work with these gentlemen. (Purchase of land) Allen Beckler asked for the status on the purchase of his property that is inside the fence which had been outstanding for two years. Osborn stated the person who handles this at City Hall had left and Mark Anderson is working on this and hopefully soon. Mark Anderson stated the person who left had not been replaced and as soon as someone gets on board this would be one of their first items to work on. (Old Terminal) Kaiser distributed a letter he drafted to present to the City Commission next week and would take any input. Osborn stated he wanted to make sure that it is understood that in working with FAA on the old building it was talked about the SREB (Snow Removal Equip. Bldg.) which is included in the letter. Osborn stated when he attends the SD Airport Conference next month he has to go with plans, have the placement ready so we have to make the decision on the termination of the old terminal building probably by the middle of this month. Osborn stated he had gone out with Dahme and had them come review the building as far as the cost for tearing it down which has not been received. Osborn added Helms is also in the process of contacting people to see if there is any asbestos in the building. Osborn stated there was also a historic aspect of the building. Kaiser stated he talked to Art Buntin who is a member of the Landmark Commission and informed him that the group had looked at a number of avenues. Buntin's hope was a museum which Kaiser thought was a good idea, but most people that would attend a museum would want to see airplanes and there is not enough room to put out a number of extensive airplanes all year around. Buntin was invited to attend today's meeting, but did not see the need to do so. Kaiser stated he also will circulate the letter to the other members of the committee and will ask for immediate response so this can be presented to the City Commission.

Osborn stated with the change over in government there had been questions as to what will happen to boards. Osborn stated Mark Anderson had sent an email to get some input concerning procedures on Home Rule. Osborn stated Anderson would take any input from any of the Board members who might have comments on what affect Home Rule would have on the Airport, Airport Board and things we do. Kaiser stated there are two aspects there will be Home Rule and the Council Alderman change. Kaiser stated the latter would have more effect on the Board or could. Anderson stated on reporting procedure nothing changes, the Airport Board will still be appointed in the same format and in terms of differences there would probably be more commissioners sitting on the Board. The additional changes would be that prior to changing to Home Rule our limited authority is what State law tells us. With the Home Rule we have been authorize by the citizenry to make laws as we see fit whether or not there is authority directly granted from the State statutes. Anderson stated if there were questions whether it is Airport Board related or not, he would take it by February 11<sup>th</sup>.

Krueger moved approval of the bills for the month of January. Seconded by Kaiser. Motion carried. An additional bill for SkyBar Café for the monthly Airport Board lunch was presented in the amount of \$15.84. Kaiser moved to approval pay, seconded by Krueger. Motion carried.

Krueger moved approval of the financial report for the month January. Seconded by Kaiser. Osborn reported that Dr. Broadhurst payment was received February 1<sup>st</sup> and Quest is still outstanding. Motion approving the financial report was carried.

Osborn reported when the SkyBar Café was set-up there was small error on the very end cabinet which did not allow for closure. Dean Marske, HKG went ahead and ordered the cabinet and HKG paid for the bill. Osborn asked the Board's approval to pay HKG \$772.74 for the cabinet, top and gate which had been installed at the SkyBar Café. Krueger moved approval to pay HKG in the amount of \$772.74. Seconded by Kaiser. Motion carried.

Dean Marske informed the Board he is working with Jim Sandvig for video lottery machine enclosure which will be in the far corner next to the door that goes into the baggage claim area. Marske stated they are looking at a smoke glass on the bar side and whether they would do anything with the walkway, it would probably be film on the glass. There would be an opening on the top for the enclosure. Kaiser asked about the noise level on video lottery. Osborn stated with four machines maxed and being it will be in a small area we probably would not get a lot of noise and thought that there is a volume control on them. Krueger stated he recommends having the machine silenced. Chairman Bensen asked if there would be a door. Marske stated there would be a 3' opening, glass covering for the machines and a walking area. Osborn stated the area would probably be about 10'x6' as the area would be by the two doorways which they have to keep in mind that these two doors become fire doors in the event of a fire. Anderson stated there is no rule on video lottery that requires a door, but it has to be a separate space. Anderson added that the glass would reflect the sound more. The Board is concern of the noise level of the video lottery. Kaiser asked if the video lottery could be place in the vending area rather than the restaurant area. Osborn stated the contract states that it has to be in the proximity of the business. Anderson added the person who has the responsibility of the liquor license should be able to view the area. Osborn reported Jim Sandvig is still in the process of licensure and had been asked to contact Anderson directly to change the license

as DBA SkyBar. Anderson stated the lottery license derives from the alcohol license which is in the Airport's name. Kaiser asked if the City has a similar situation anywhere. Anderson stated there isn't and this alcohol license is specifically granted for Airport which the situation was similar to at the old terminal building. Kaiser asked if the lottery license is transferable to the next operator if the current operator would leave. Anderson stated Sandvig would take the license with him. A question was asked about the enclosure for the lottery machines if this would be Sandvig. Anderson stated if it becomes a fixture it would be the Airports. No action is needed from the Board.

Dean Marske, HKG informed the Board when the Airport had sprinkler lines freezing up, he had contacted the mechanical and electrical engineers. Between Marske, Helms and Osborn they had gotten some result, G&R controls had been here. Marske stated there were three systems and none were working. What's been found was that about a year ago they had a glycol leak and had turned off the in-floor heat for the walkway, there was also a wire that was broke for the radiant heat, and the air handling system was wired wrong. All of these were corrected. There are still concerns and will continue to monitor the temperature in the vestibule. Osborn stated that if the wind is directly from the SE and SW the vestibules are cold. Markse stated the Airport had put some insulation to help with some of the problem. Marske added there might be something else that can be done on the vestibules to get better heat in this area. Osborn stated that when the control people were here the two vestibules by the front door was changed to come on based on a certain temperature. Marske also informed the Board there also had been bills (Fay's and Hase) related to some of the problems that he's been working with HKG attorneys. There was also a bill for the cabinets that got scratch, this also was not a bill the Airport should have; this is between Gray Construction and Cabinets Dacotah. Osborn added there is also an additional bill on the air regulators where Hase did not install properly. They found and corrected the problem and we are being charge \$270. This bill has also been turned into HKG for follow up. Krueger asked with all the problems did any of the pipes burst. Osborn reported that there were none. No action is needed from the Board.

Osborn reported that we have two request for lease transfer. One from Kevin Braun to Wade Outka and the other is from Mike Harmon to Kevin Braun and Richelle Braun. Wade Outka has also a new lease to continue the existing lease. Krueger moved approval of the changes presented. Seconded by Kaiser. Motion carried.

Osborn informed the Board there had been an increase on the Federal funding for AIP Project 3-46-0001-23 for Airport Fencing in the amount of \$3,914 and this had been confirmed by a letter from Steve Obenaur, FAA. No action is needed from the Board.

Osborn stated Mr. Sixel was contacted and his proposal was discussed. Mr. Sixel changed his contract proposal for item #2 from phone support instead of expense coming to Aberdeen. The new proposal is \$7,850 which originally at \$10,575. Osborn reported at the end of January the grant application for Small Community Air Service (SCAS) came out which is part of Mr. Sixel proposal to work on. Osborn stated the grant application closing date is April 22<sup>nd</sup>. Osborn stated some of the things that are being seen with SCAS grant is there is priorities for proposal that has high airfares for their area, contribute financially to the project from sources other than the airport revenues (this was talked to the group about possibly having the Chamber and ADC group assists with marketing cost), public and private partnership to improve limited access for the national transportation system (limited needs that we have what can we do to get more of the partnership together for our services). Osborn stated by doing this grant we would probably see more request for people to write a letter of support from our area not just Aberdeen, but outside Aberdeen. Osborn stated our problem is time as this had come up early as this grant does not usually comes up till March and due in May. Osborn stated in the budget this year we have \$5,000 in marketing and had looked at other items in the budget that had allowances. Sixel's proposal includes negotiating with Northwest Airlines to bring in jets to Aberdeen, have a phone support with the group to look at enhancing our option and doing the SCAS application. Comm. Omland asked if Sixel's would also work with Northwest for price reduction. Osborn stated there would be a number of items that we would look at like ticket items or certain business having an availability to get on at the last minute. Osborn added our focal point is getting jet service. Kaiser asked about the airline based in Las Vegas that fly into Bismarck and Sioux Falls if this would be part of the discussion. Osborn stated one of the focuses he keeps hearing from Sixel is that we need to partner up with the carrier we have to get them to be part of our grant and once we have the agreement then we will have other airlines that would follow because we are developing. Kaiser asked how much of the 1.2m grant for Sioux Falls is use to get another airlines and is our focus point correct to go after the jet service from Northwest. Osborn stated he thinks the grant for Sioux Falls is to buys some seats from the other airlines. Chairman Bensen stated Sixel felt that by trying to lure another airlines would be unproductive and that one thing Chairman Bensen is mindful of that was brought up last month is the effect the jet service may have in reducing the number of flights which maybe a problem or not. Kaiser asked if the public would view it as backwards if we bring in three jet services per day instead of six flights per day. Chairman Bensen stated he had received comments that people does not want to lose flight in and out of Aberdeen as it is so convenient to get in and out of here, but given the choice to leave at 6:30a where now they can't, is it really a problem. Krueger added that we hear more criticism because of the type of aircraft we use. Krueger asked Osborn to let Mr. Sixel know that the Board is concern about his other expenses and to keep it reasonable. Kaiser moved approval of Sixel proposal dated January 7<sup>th</sup>, 2005. Seconded by Krueger. Motion carried.

Osborn stated the Board should have received the balance sheet for the War Memorial fund as of December 31<sup>st</sup> which shows a balance of \$4,200. Osborn reported he had made a \$1,600 deposit yesterday. Osborn stated we are to the point that we are ready to start the third statue, but is concern as we just got done with the third mailing for pledges to 5,000 households (based on income) and only received \$1,600 and the mailing cost \$2,400. Osborn added he had held off the mailing for two weeks because of the tsunami and had been surprised that he has not seen the support from the community. Osborn informed the Board that he requested to meet with the Mayor in a working session for Monday to asked for City support to go forward and sponsor the money which is about \$58,000 short for the third statue. Osborn stated that we will continue to raise the funds, but he also wanted to make sure the artist gets paid so the project can be completed. Osborn asked for approval of a bill submitted by NECOG in the amount of \$17.50. Krueger moved payment, seconded by Kaiser. Motion carried.

Osborn informed the Board that Anderson Seeding had done extra seeding on a project because the bluegrass did not take. Osborn stated there is a discrepancy on the acreage and this is being handled by Helms & Associates. Sam Muntean from Helms and Associates distributed a copy of his response letter to Anderson Seeding. Muntean stated the biggest discrepancy they found is that seeders always go off with their

meter reading which does not read the overlap. Muntean added that FAA's specification on seeding is that we will pay for actual acreage of grounds which Helms had measured with assistance from Bob King. Anderson Seeding has not responded to the letter that was sent to them. Muntean also distributed a copy of the letter sent to Sherbrooke Asphalt regarding an outstanding payment to a subcontractor on an Airport project. Muntean contacted Sherbrooke yesterday and was informed that they are in a process of being bought by another company. Muntean reported that Sherbrooke still has a bond in place and with them being bought; the company buying will not only get the assets, but also their liabilities. Muntean added there is still retainage being held on the project. No action is needed from the Board.

Osborn informed the Board that there had been problems with the PA system. The PA system uses our phone system and it cuts out because of the two minutes window and there is nothing that can be done. Osborn stated he will talk with Brick's on going back to microphone. Kaiser asked if the system can be reprogrammed. Osborn stated he contacted BanKoe from Sioux Falls where the system was purchased and that he was informed that we bought a system that has a two minute timer. Kaiser thought that there might be a way to change the system. Osborn stated this might be something he can talk to Brick about.

Osborn informed the Board that Birke Rhodes, FAA Certification inspector will be doing the yearly inspection on May 25<sup>th</sup> and May 26<sup>th</sup>. No action is needed from the Board.

Osborn informed the Board that in the next month's billing there will be a bill for some sprinkler heads and repair to the garage doors, which is a result from Mesaba's staff leaving doors open one night and the sprinkler heads froze in the back area. They also had damaged one of the garage doors by pushing a wrong button. Osborn stated Mesaba is being billed for these expenses.

Osborn stated with five maintenance staff sometimes there is not enough vehicles to go around so he had written a letter to the City about vehicles. Osborn reported he has a 2001 Rideline vehicle that is being replaced with 2005. Osborn stated he asked the State of SD if the 2001 vehicle could be used as an Administrative vehicle and if allowed he will turn the Suburban over to the maintenance department for an alternate vehicle. Osborn added that a vehicle was requested during the budget session, but all vehicles were frozen. No action is needed from the Board.

Osborn shared with the Board TSA information on fire arms and ammunition on commercial aircraft during hunting season. Osborn stated that announcements are made reminding passengers not to have any firearms, firearms parts or ammunition when they pass thru the check point. Osborn informed the Board that there were about 15 incidents in Aberdeen that were written up. Osborn stated TSA does a follow-up letter for this violation with a fine of \$250 with maximum of \$10,000 per violation. Osborn stated changes were to the website recently and will add this particular advisory. The Board also suggested posting signs in the terminal during hunting season.

Kevin Braun, Quest Aviation stated they had installed a key pad access for security to one of their door that goes to the ramp and their customers had concerns about Fire exits. Chairman Bensen stated that there is another door that could be used to get out. Osborn asked if any of the doors are listed as fire doors. Braun stated both doors are listed as exit doors. Osborn suggested to Braun to talk to the Fire Marshall when he does his monthly check next month and if it is a problem then it has to be discussed with TSA. Braun also reported to the Board that the electronic gate is working 100%.

Krueger reported Chairman Bensen, Osborn and himself had met and reviewed the minimum standards from Mitchell and Grand Forks. Since then Osborn had been able to obtain an electronic copy from Grand Forks and now can start doing some editing. Krueger stated that they will take this step at the time instead doing it all at once. He added the idea is to have something in place primarily for air related business which will affect new businesses coming in.

Kaiser reported that he had talked to Malchows and that they will be bringing the tables within a week or two.

Kaiser suggested getting name plates similar to what the City Commission has for most of the people who is at the table, so for those people who come to the meeting would know who's sitting at the Board's table. Kaiser thought the cost would not be over \$100. Chairman Bensen stated most people who come every month are the same, but there are others who come and the Board does change. Osborn stated that he will be talking to the City Sign Shop about a sign for the memorial and will add this to talk to them about.

Osborn requested an executive session to discuss a request from the National Guard. Kaiser moved, seconded by Krueger. The Board went to Executive Session at 1:20pm.

The Board went back into regular meeting at 1:30pm. Jim Sandvig informed the Board that he has carpet person coming to take a look at an area of 15x30 for carpeting. Sandvig also informed the Board that he is looking at putting video lottery and placing glass booth to enclose the area. Sandvig added he also will get some bid on some furniture to cozy up the place. Sandvig also requested dimming the light to reduce the lighting to have more inviting atmosphere. Osborn informed Sandvig that whatever plans he has he needs to put it in writing for the Board to make their decisions. Kaiser stated there had been a lot of concern on the upkeep and maintenance of carpeting which had been discussed about a month ago. Sandvig stated he would like to start on this project soon. Chairman Bensen stated decisions will not be made until next meeting as there will have to be discussion as to who would take care of things. Kaiser asked Sandvig to check the volume on video lottery if this can be adjusted. Chairman Bensen asked Sandvig about the sign in place of the observation room and Osborn asked if Sandvig had come up with a logo for a sign out for the entrance. Sandvig stated that he is working on this.

There being no other business brought before the Board, Krueger moved to adjourn, seconded by Kaiser. The meeting adjourned at 1:40pm.