

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
June 9, 2005

MEMBERS PRESENT: Chuck Bensen, Jim Krueger, Dr. Kennon Broadhurst, Rolf Johnson, Steve Kaiser

MEMBERS ABSENT: None

OTHERS PRESENT: Dave Osborn, Comm. Jacki Omland, Terry Helms, Bob King, Mark Caven, Mike Corpos, Tony Martinez, Rhea Ketterling

Chairman Bensen called the regular meeting of the Aberdeen Regional Airport Board to order at 11:35am on Thursday, June 9, 2005.

Krueger moved approval of the minutes for the regular meeting held on May 5, 2005. Seconded by Kaiser. Motion carried.

Old Business: (Letter from Gen. Saunders son) Osborn stated the Board should have received a copy of a letter from General Saunders son who is very appreciative of the signs and the plaque for the General. (Beadles) Osborn stated he continue to do a follow up with Mr. Beadle on some of the trees and plants that got frozen.

Additional bills were presented for the month: Passport Bar & Grill for lunch today, \$23.09 and Braun Intertec for the Soil Boring and Geotechnical Evaluation for AIP Project #3-46-0001-25, \$1,935. Krueger moved approval of the bills for the month of May. Seconded by Johnson. Motion carried.

Osborn reported the outstanding balance from Northwest Airlines is a continuation from the previous month. NWA had been contacted since last month and we were informed that it could take three to six months to clear the issue of forged check. NWA was contacted again this morning and we were informed they would try to keep this to a minimum as possible and had no updated information at this time. Osborn added another outstanding balance is for Gary Sharp. Osborn stated Sharp had fertilized an area up to the fence and is to be reimbursed for this. After Helms had done the measurement, the land was about half of what we originally have on our map. Osborn stated this has to be resolve with Sharp as to the cost of the fertilizer for the one time fertilizing allowance and the amount he owes at this time will probably not be owed to us as the fertilizer cost exceeds what is owed. Osborn added as soon as he finds out the cost for fertilizing he will bring this back to the Board. Johnson moved approval of the financial report for the month of May. Seconded by Krueger. Motion carried.

Osborn stated there is no update on the SCAS (Small Community Air Service) grant. Osborn reported Martinez is still working on his logo for the Bar and Grill and as soon as he get this together the Airport will do some signage (front entrance and help him with the inside). Kaiser asked if there was an official confirmation on the SCAS grant application that it has been received in Washington. Osborn stated he will check with Mark Sixel, Sixel Consulting who submitted the application. Kaiser suggested checking with the authority where the application was filed. Krueger asked for clarification on the jet service request on the grant. Osborn stated when the group met the initial request is to start with one jet service which would be the second to the last flight into Aberdeen and would be an overnight aircraft for the morning flight, 6:45a.

Osborn reported Morris Riggan had given the Airport a copy of his Operating Certificate plus his licensure from SD Dept of Ag. Osborn added the City Attorney had been contacted regarding the contract which we should have by next week or so. Osborn reported during the FAA inspection this year, FAA had requested to look in the future any Ag businesses that are put on the other side of the field does not have access directly to a runway instead they would have access to a taxiway. It was reported Beving at this time has direct access to the runway. Caven, AFS asked if this is because of a non-radio aircraft. Osborn stated basically it is because of non-radio aircraft and Beving had been very good on using a radio. Riggan's contract will basically be the same as Beving's with some adjustment. Chairman Bensen requested once the contract is done he would like the Board to review in advance. Kaiser asked if Riggan have requested to use the area before the lease is signed. Osborn stated there was not a request from Riggan as of yet and is aware we are still working on the lease.

Osborn stated we are able to extend the agreement with Bill Antonides on the WHM (Wildlife Hazard Mgmt) which had been discussed with the City Attorney. Osborn stated with Antonides retiring from SDGFP he was contacted and has agreed to continue to do the WHM for the Airport. Chairman Bensen asked how much time does Antonides spends at the Airport. Osborn stated the contract allows 100 hours, but at the most he thinks it's about 30 hours. Osborn added he also would like Antonides to work with our staff on gun safety. Krueger moved approval to extend the contract with Bill Antonides for WHM until May 1, 2006. Seconded by Kaiser. Motion carried.

Terry Helms, Helms and Associates stated the bill presented is for the work done for the SRE (Snow Removal Equipment) Bldg. In addition he reported the building is being upgraded in a couple of areas where equipment could be worked on. The AIP dollars are eligible to cover for storage of snow removal equipments and allow one bathroom, but there will be two bathrooms so ineligible and eligible issues were discussed. As of right now Helms stated it is estimated that 85% of the building is eligible and 15% ineligible which we will know at the bid letting which had been advertised today with opening bid date of the 29th of June at 1:30pm at City Hall. Helms stated he thinks the project will stay within the budget. Chairman Bensen asked when construction will start. Helms stated construction is schedule to start within two weeks of the bid letting and the estimated occupancy date for the building is January 15, 2006. Osborn stated there was one restriction which is the contract with TSA (Kevin Bakke's office) which had been extended for 6 months. This area is going to be a priority to be completed first. Osborn added after January 15th, the old terminal will be torn down which is part of the bid letting and added the Board is welcome to come to the bid opening. Helms stated the figures should be available the following Thursday. Krueger asked the estimated cost for the project. Helms stated it is estimated at \$1.1M which includes the cost for engineering, architectural fees, construction, demolition of the old

terminal and the replacement of the gate by the hangar area. The 85% estimated eligible cost is payable at 95% (Federal) and 2% (State). Dr. Broadhurst moved approval to pay Helms and Associates pay estimate #1 in the amount of \$50,273.44 for AIP Project #3-46-0001-25-05. Seconded by Krueger. Motion carried. Kaiser asked what will happen to the old terminal area. Helms stated this will turn into a grass area and the fence will be rebuilt under the project. Osborn added a safety plan will not only be filed with FAA but also with TSA for approval on the safety of the airfield during construction. Osborn stated a 10 ft woven wire temporary fence will be in place which is an additional cost to the project since it will be replaced with permanent fencing.

Osborn went over the 2006 Airport budget. It was reported the revenue is estimated at \$745,750, salary expenditure \$271,108, operations expense \$318,360 and the capital expense is \$94,000 which includes the seeding and fertilizer for the farmers next year, possibly replacing one of the maintenance vehicle, and replacing the linoleum and carpet in the ARFF station living quarters. Osborn stated one of the things that would affect the 2006 budget is how the SRE project will end as some of the expenses will extend till the following year. Osborn reported the budget is due to the City on June 15th and a detailed report per line item for the budget is being submitted since there is limited time to present the information to the Mayor. Dr. Broadhurst requested a copy of this detailed report and Chairman Bensen requested once the budget is approved, he would like an approved copy. Comm. Omland stated the budgeting process is changing where in the past every Commissioner sat through the entire budget hearing and listened to everybody's department budget and wishes, but now the Mayor will present the budget to the Council. Osborn stated he sees the new process will be faster and Comm. Omland agreed. Kaiser asked if there is any restriction on the PFC account the Airport can keep. Osborn stated the only restriction he is aware of is we have to be accountable on when funds are received and how the expenditures are made. Johnson asked the status of the 2005 budget. Osborn stated so far we are doing well; there is a higher expense on equipment and repair and there is still problem with the Taxiway 'C' extension as the power to the windsock was not proper (power was under rated). Helms stated hopefully this will be resolve within the next 30 days. Kaiser asked about the budgeted dollar for the SCAS grant that is a City's portion. Chairman Bensen stated his understanding on this is that it can't be City dollar. Osborn stated it was requested not to be City dollar and discussed possibly using the Fuel Tax dollar and the City can contribute to this. Osborn stated with using the Fuel Tax dollar we would have to get approval from the State Commission before it can be granted. Kaiser asked when will the funds be available if the SCAS grant is awarded. Osborn stated since we have not received this type of grant before, he thinks it will have a start and ending date once its release. Comm. Omland added if this is most like other grants the City will have the expense first then the grant will be billed for reimbursement. Kaiser moved approval to submit the 2006 proposed budget. Seconded by Krueger. Motion carried.

The Board received a copy of the 2005 FAA inspection report which there were no corrections. Osborn stated this would be the 4th time since 1990 that there had been no corrections. Osborn congratulated King and the Maintenance crew for a job well done. Kaiser stated the Board appreciated the job well done.

Chairman Bensen stated it saddens him to see Krueger and Johnson leave and presented them both with a plaque of appreciation and thanked both for the help they had given to the City of Aberdeen and the Airport Board. Helms added he was amazed how the continuity of the Airport Board had given to the airport direction over the changes in management. Chairman Bensen also thanked Comm. Omland for attending the meetings as it was very important to have her as it gives the Airport a better rapport with the City as she had kept the other Commissioners informed. Krueger, Johnson and Comm. Omland will all be missed.

Krueger asked if the new phone system had been installed as he noticed the announcement is a lot clearer. Osborn stated the phone system is installed and the tenants all have access to paging and can also receive calls through our lines, but cannot make an outgoing call.

Dr. Broadhurst stated he is very concern on NWA financial stability and once they go into bankruptcy we can forget about the balance owed. Dr. Broadhurst stated we should pursue to collect the amount owed on a timely basis. Dr. Broadhurst stated his opinion is that it is the bank's responsibility as they are the once who accepted the endorsed check. Johnson stated he had gone through the same situation and had never been able to force the bank to do anything. Osborn stated we are keeping track of this situation.

Dr. Broadhurst asked if there should be tables in the terminal area. Kaiser stated Osborn and himself had discussed this and thinks it was a good idea to have two or three tables for people to use and the only concern is the clean up where Osborn stated there is janitor in the building. Dr. Broadhurst suggested for janitorial staff the Airport provide some type of uniform or a smock so they can easily be identified as an Airport employee. Osborn stated this could be a budget item as a uniform allowance is allowed by the City. The Board thinks this is a good idea. The TV was briefly discussed as it is still in Fox channel after having the remote available for the public to use. Osborn stated he had seen the TV on different channels and there are certain people who work in the building that does like the Fox channel.

Dr. Broadhurst stated the 5' perimeter had not been discussed again and will make note for future discussion. Krueger suggested there should be a meeting between the Airport Board and Airport renters as this should be discussed as obviously been a sore point and thinks that as members of the Board has not been aware how much a sore point this was. Krueger stated a meeting before the snow season would be helpful as obviously there had been differences of opinion. Osborn stated the only problem we will have is that it had been discussed on getting bigger equipment in the future and as we go to a 20' blade and FBO's have there doors open our guys will not get close as we cannot get within the 5' which had been Osborn's concern because of liability issues for the Airport whether the door is open or not. Dr. Broadhurst stated as we always said we wanted to be a kind and gentler group, we could inform our tenants the time we would start and if their doors are open then at least they were informed, but Dr. Broadhurst think they don't have this option. Osborn stated it was discussed if certain areas were cleaned up, we are not coming back to clean this area again and we have been very workable. Osborn stated he has winter meeting with the FBO's to find out the areas we did not do or what we are going to do. Osborn stated his biggest concern is the liability to the Airport. Osborn feels we are getting along and if there is a problem with hangar owners he would like to address this issue with them. Osborn added he still thinks we have to keep a certain amount of distance just for the liability reasons. Johnson asked if the concern comes from private hangar owners or FBO's. Dr. Broadhurst stated he thinks it's coming from both and it would not be a problem if this always been the way it's been done. Dr. Broadhurst added it was force upon the hangar owners and had no recourse and it was the law and it was dictated. Osborn stated he sees no problem having a meeting with everyone to discuss this and feels we have always been accommodating and our staff had bend over backwards to be accommodating to the point how much it would cost the City to do things. Caven, AFS stated he had

been at this Airport for 30 plus years and there had been two incidents where something had been replaced and as far as accommodating they do everything they can so everything is out of the way. Caven stated he thinks the problem comes from communication and added he had shoveled snow at the private hangar so planes could get out. Osborn stated there had been discussion to allow FBO operators to use the snow equipment, but this was stopped by the City Attorney because of liability. Osborn stated we want to be accommodating as we possibly can as he is aware there are certain time a plane had to get out and go, but there is also a limit on our maintenance guy's ability based upon the amount of snow and what needs to be cleaned up. Kaiser asked King, Maintenance Foreman if the 5' limit is a problem. King stated he feels it should be 10' limit. Caven stated as one of consumer/customer they are all paying for service and had been told by the previous Board this is the way it is and it was never discussed. Chairman Bensen asked Osborn to get a notice out to the hangar owners and FBO's and set-up a meeting in the evening to discuss the 5' perimeter.

Osborn informed the Board on June 14th there is a meeting in Bismarck where FAA, SDDOT Aeronautics and City of Brookings will meet regarding the Brookings Airport which is about their RPZ (Runway Protection Zone). Osborn stated this is something to watch as this would affect all airports as to what can go at the end of the RPZ and could affect the funding dollar.

Osborn stated Jim, Mesaba Station Manager had asked if there is anyone interested on becoming a weather observer as Mesaba had staff changes. Osborn asked if Caven, AFS or Quest who will be contacted would like to be part of a class for weather observation, but there is no set date yet. Osborn stated he is thinking of sending someone for the Airport.

For the record, the Bar and Grill lease with Tony Martinez dba Passport Bar and Grill was reviewed by email and was approved by the Board on May 18th. Martinez brought the following request to the Board – to install non-operative radio controlled airplanes and zepplin, type of signs to place in the bar area (neon or mirrored style) and some required electricity and some don't, consigned artwork displayed like Redlin prints at owner's liability (Jan @ Basket Unlimited), newspaper machines, video lottery machines, small private party and internet for the entire terminal. Osborn stated the newspaper was place in the Bar and Grill for the previous operator to get people into this area. Martinez stated he was informed that both paper sales are down since they were taken out of the machines and as far as getting people into the area Martinez had no problem getting people in. Osborn stated it is not a problem to get the papers back out into the machines. Martinez reported that GT Gaming will financially support him on video lottery. Kaiser stated the change of the structure was discussed with the previous operator to accommodate video lottery, but the Board was concern about the noise and suggested to Martinez to check whether the machines can be adjusted for the amount of noise they give off. Krueger added to also check whether partitions are needed because it is a public place and this will subject to prior approval by the Airport Board. Since there's no license for video lottery as of yet, Kaiser stated these are the things that needs to be answered before the Board can give any approval. Martinez also reported he had a request to use the Bar area for a party (Bachelor/Bachelorette's). Osborn stated the problem would be is the area is also use as an observation room for people to see planes fly in and out and it would be hard to just close this area off. Martinez stated the time would be after the 4:30p flight and would probably be for only 2 to 3 hours. Osborn stated he does not see this as a problem, but the area is open for anybody to come in. Martinez stated people had asked him about internet as the previous operator had a wireless connection. Osborn stated there was a wireless hi-fi hub the previous operator paid for about \$85 for people to use while they were in the Bar and Grill area. Osborn stated the City last year tried a wireless program and was looking at expanding a tower on the South side of town which thought the Airport would be included, but has not heard where this is at. It was also discussed of possibly having a computer available for public to use. Osborn stated Mike Kulm from Hertz had also talked about machines that one could actually buy time and if the Airport is interested Kulm would consider putting them in if the Board would allow it. Kaiser asked Osborn to check with Sioux Falls, Rapid City and Bismarck as to what their whole internet terminal policy to see what other airports are doing before the Board makes a final decision. Comm. Omland stated in Minneapolis they have pay as you go. Dr. Broadhurst stated as to the airplanes and zepplin's display, the Board should at least have a picture and size and how this would affect things. The Board did agree the idea is good. Comm. Omland added to also check with the City Attorney as to the liability. And on the artwork, Dr. Broadhurst suggested to also contact the Art Cooperative as they might have other work they might want to put on consignment as it had been said before we love to see an art display, but the Airport can't be responsible for it. Osborn stated one thing to keep in mind and be careful of is that we are not advertising for individual businesses.

There being no other business brought before the Board Johnson moved to adjourn, seconded by Dr. Broadhurst. The meeting adjourned at 1:25pm.