
Regular Meeting

Tuesday

March 22, 2016

The Regular Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, March 22, 2016, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Blazek, Kilander, Macdonald, Pawluk
Absent: Clark
Others: None

Chairman Pawluk presiding.

Approve the Minutes of the Regular Meeting of the Municipal Airport Authority Held March 8, 2016:

The minutes of the Regular Meeting of the Municipal Airport Authority held March 8, 2016, were approved without objection.

Approved the Airport Vouchers Totaling \$25,431.42:

Mr. Blazek moved to approve the airport vouchers totaling \$25,431.42.
Second by Mr. Kilander.
On the call of the roll, members Blazek, Kilander, Macdonald, Pawluk voted aye.
Absent and not voting: Clark
The motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Gen. Macdonald moved to approve the individual voucher in the amount of \$816.00 to Mead & Hunt for partial payment request for engineering services in connection with the PFC #8 Application, APFC08.
Second by Mr. Kilander.
On the call of the roll, members Blazek, Kilander, Macdonald, Pawluk voted aye.
Absent and not voting: Clark
The motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Gen. Macdonald moved to approve the individual voucher in the amount of \$17,280.00 to Mead & Hunt for partial payment request for engineering services in connection with the Terminal Taxiway and Taxiway A3 Reconstruction - Design, AIP46.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Gen. Macdonald moved to approve the individual voucher in the amount of \$30,444.39 to Mead & Hunt for partial payment request for engineering services in connection with the airport Master Plan Update, AIP42.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Gen. Macdonald moved to approve the individual voucher in the amount of \$508.52 to Mead & Hunt for partial payment request for engineering services in connection with the Taxiway A and A1 Reconstruction Design, Project AIP47.

Second by Mr. Kilander.

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

Absent and not voting: Clark

The motion was declared carried.

Received Proposed Contract from Mead & Hunt for Construction Services for Access Road, Lighting and Apron Improvements:

Mr. Jeff Klein, Mead & Hunt, was recognized and explained that on October 13, 2015, the Airport Authority received bids for a project to improve the access road, lighting and sanitary sewer in the cargo area. That project which was just over \$1.2 million was awarded to Olaf Anderson. Mr. Klein stated that since the award of that bid, there have been a number of changes to the scope of the project and after negotiations between the airport and the tenant the project has now been revised to bring down the cost. He stated the proposed Mead & Hunt contract before the board today is for the engineering work required to redesign the project and also for the construction services. He stated the fee for the contract is not to exceed \$160,250. He stated the revisions do not look drastically different from the original but there is a lot of work associated with the revisions. He stated since the site was reconfigured there is a ripple effect and we have to redo all of the

Received Proposed Contract from Mead & Hunt for Construction Services for Access Road, Lighting and Apron Improvements: (Continued)

lighting layouts, the storm water calculations, pavement, recalculate concrete quantities, etc. He stated we still do not know that this is the final design as there will probably be changes to parking layout. He stated this is about a six-month project from April through September.

Mr. Kilander moved to approve the proposed contract for re-design and construction services for the cargo facility improvements, at a cost not to exceed \$160,250.

Second by Mr. Blazek.

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

Absent and not voting: Clark

The motion was declared carried.

Received Cash Investment Bids for One-Year Certificate of Deposit:

Mr. Dobberstein stated the Airport Authority currently has its Parking Lot Construction and Maintenance Fund in a one-year Certificate of Deposit of just over \$7 million with First International Bank, which is due April 1. He stated the Airport Authority also took action at a recent meeting to add \$1 million from our Operations and Maintenance Fund to the Parking Lot Fund. He stated the total CD amount would be \$8,061,350.00.

Mr. Dobberstein stated he requested bids from the area banks and the board members were provided with those bids. He stated the highest interest rate offered was .82% from US Bank but that was for a 270-day term, not one year. He stated the second highest interest rate offered was from Bremer Bank at .76% but they would not be able to enter into the CD until April 7. He stated the other interest percentages ranged from .66% down to .363%.

Chairman Pawluk asked Mr. Blazek for his recommendation.

Mr. Blazek stated the challenge he has is that our request was for an investment date of April 1, 2016, and the high bidder is not able to provide the CD until April 7, 2016. He stated he thinks we should probably send an e-mail out to those banks providing bids and ask for an April 7 investment date, just to cover our bases. He stated if you publish an investment date that is the date to which you commit. He stated the other bidders would not know that there is a 10-day window on the current CD. He stated by awarding this to one bank with a date of April 7, which is different than the date called for, we could be losing out on interest. He stated the different date could have an effect on the interest rate offered by other banks.

Gen. Macdonald stated he likes the idea of sending an e-mail to the other banks and ask them if the April 7 date would change their bid.

Mr. Kilander asked if that would provide an advantage to the other banks enabling them to increase their bids.

Chairman Pawluk expressed concern about setting precedent and not treating all bidders fairly. He stated technically the only thing to do is throw out the bid with the April 7 date, just like we threw out the one for 270 days, or reject all bids and request new bids.

Mr. Dobberstein stated we either tell Bremer that it has to be an April 1 date or accept the next highest bid which was Starion at .66%.

Mr. Kilander asked Mr. Blazek, as a banker, would he expect the customer to enforce the rules of the bid.

Received Cash Investment Bids for One-Year Certificate of Deposit: (Continued)

Mr. Blazek stated he absolutely would expect that the rules be enforced. He stated the Airport Authority does have the right to accept or reject any or all bids.

Chairman Pawluk stated he would accept the bid from US Bank at the higher interest rate but it did not meet the one-year term requirement, but neither did the Bremer bid. He stated the objective for seeking requests is to get the highest rate of return for the airport.

Mr. Blazek stated if that is truly what we want to accomplish then he thinks we should send an e-mail to the participating banks and advise them we are changing the investment date from April 1 to April 7 and give them a chance to amend their proposals.

After further discussion, Mr. Blazek stated as much as he hates to see us miss out on some opportunity here he feels we need to stay with the bids that have qualified with these constraints and next year we change the language on how we solicit bids. He stated otherwise he thinks we will open ourselves up to a lot of criticism.

Mr. Kilander stated he would agree with that completely.

Gen. Macdonald stated he feels it is the board's responsibility to get the maximum return with the tax payers' money. He stated he does not know how we could be criticized for rejecting all of the bids.

Mr. Blazek stated if that is the case then we should go to an auction format. He stated we should have the interest parties meet in this room and conduct an auction.

Gen. Macdonald stated he would not object to an auction.

Chairman Pawluk asked Mr. Dobberstein for his opinion.

Mr. Dobberstein stated he would be more inclined to award it to Bremer Bank at .76% as we reserve the right to accept or reject any and all bids.

Chairman Pawluk asked why we would not accept the 270-day term from US Bank at a higher interest rate.

Gen. Macdonald stated he agrees. If we waive seven days for one bank, we should waive it for the 270-day offer and look at it again in nine months.

Mr. Kilander stated he views these proposals from banks the same as a bid for a construction project. If a bidder does not meet the criteria in our request for proposals it is thrown out.

Chairman Pawluk request a motion to resolve this issue.

Mr. Kilander moved to accept the highest bid that meets all of the criteria in our request for proposals.

Motion failed for lack of a second.

Mr. Blazek moved to reject all bids and rebid the CD using an investment date of April 8, 2016 for a term not to exceed one year and that the Executive Director be authorized to make the final decision as the board does not meet again until after that date.

Second by Gen. Macdonald.

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

Kilander voted no.

Absent and not voting: Clark

The motion was declared carried.

Received Cash Investment Bids for One-Year Certificate of Deposit: (Continued)

Mr. Kilander stated maybe next year we can look at a different process such as giving the top three bidders an invitation to change their bids at an auction after all bids have been received.

Mr. Blazek stated in the future we could look at bidding this CD in the same manner as our farm leases where we receive a sealed bid and then give bidder the opportunity to amend their bids at an auction.

Airport Master Plan Update:

Mr. Mark Breukink, Mead & Hunt, was recognized and stated he is the project manager for the Airport Master Plan Update. He stated we have a meeting this morning at 9:00 for the Airport Master Plan Advisory Committee which is made up of various airport stakeholders. He stated it has been quite a while since the committee has met but the Master Plan Update experienced quite a delay with the FAA and getting our forecasts approved. He stated present at the meeting will be representatives of the North Dakota Aeronautics Commission, the Federal Aviation Administration and various airport tenants.

Airport Construction and Security Update:

There was nothing to report on security.

Mr. Jeff Klein, Mead & Hunt, stated there is not any actual construction activity at this time. He stated Mead & Hunt is continuing to work on finalizing the plans for the Terminal Taxiway and Taxiway A-3 so that we able to advertise that project for bids.

Other Business:

Mr. Dobberstein stated the City of Fargo is looking at flood control structure along the north end of the airport. He stated sometime this year the City will be coming before the Airport Authority to request an easement. He stated there are a couple of options they are looking at to get the entire north end of the airport out of the 100 year flood plain. He stated he will provide the preliminary information to the board members for review before a presentation by the City of Fargo.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, April 26, 2016, at 8:00 a.m.

Time at adjournment was 8:47 a.m.