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Annual Meeting

Tuesday

January 12, 2016

The Annual Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, January 12, 2016 at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Blazek, Pawluk, Kilander  
Absent: Clark, Macdonald  
Others: Gehrig

Chairman Kilander presiding.

Approved the Minutes of the Regular Meeting of the Municipal Airport Authority Held December 15, 2015 and the Special Meeting Held December 21, 2015:

The minutes of the Regular Meeting of the Municipal Airport Authority held December 15, 2015 and the Special Meeting held December 21, 2015, were approved without objection.

Approved the Airport Vouchers Totaling \$94,985.58:

Mr. Blazek moved to approve the airport vouchers totaling \$94,985.58.

Second by Mr. Pawluk.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,082.85 to Mead & Hunt for partial payment request for engineering services in connection with the Taxiway A Reconstruction, Project AIP45.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Fargo Jet Center:

Mr. Pawluk moved to approve the individual voucher in the amount of \$16,512.38 to Fargo Jet Center for the 2015 co-op marketing program.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Pawluk moved to approve the individual voucher in the amount of \$13,297.50 to Flint Communications for partial payment request for 2015 Airport Marketing Program.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Vaisala:

Mr. Pawluk moved to approve the individual voucher in the amount of \$4,700.00 to Vaisala for partial payment request (final) for the runway pavement sensor system upgrade.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Wes Schon:

Mr. Pawluk moved to approve the individual voucher in the amount of \$550.00 to Wes Schon, PE, for the Independent Engineering Fee Review, Taxiway A and A-1 Design, Project AIP47.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Pawluk moved to approve the individual voucher in the amount of \$2,250.00 to Sixel Consulting Group for quarterly installment, Annual Data Subscription, Airport Traffic.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,544.00 to Sixel Consulting Group for December passenger enplanement fees for Delta/Atlanta.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Approved the Individual Voucher to TL Stroh Architects:

Mr. Pawluk moved to approve the individual voucher in the amount of \$1,098.00 to TL Stroh Architects for partial payment request for architectural services in connection with the Westside Terminal Restroom Expansion Project.

Second by Mr. Blazek.

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

Absent and not voting: Clark, Macdonald

The motion was declared carried.

Received Communication from VoxTelSys Regarding Proposed Eastside Terminal Office Space:

The communication from VoxTelSys was received and filed without objection.

Mr. Rick Flacksbarth, Cityscapes Development, was recognized and stated since the last meeting VoxTelSys went out and found their own contractor (Casey Construction) to do the renovations to the office space for an estimated cost of \$33,000 for everything they want done to the space, which is less than the previous bids. He stated they are proposing to sign a five year lease if the Airport Authority covers 100% of the cost or a three year lease if the Airport Authority pays for 50% of the cost, or \$16,500 which is approximately \$1,500 more than what the board had approved at the last meeting. He stated if the tenant leaves after three years they will be leaving behind \$33,000 of improvements which cost the airport \$16,500.

Mr. Blazek stated he sees two risks to the airport with this proposal. He stated we don't really have a lot of information on this tenant. He stated if we move forward he would encourage a thorough background check on the tenant which may give us a better idea if we will get our investment back.

Mr. Pawluk stated for us to spend \$33,000 or \$16,500 for a lease that yields about \$10,000 a year is not a convincing argument. He asked if the renovations would make the space that much more rentable to another tenant.

Chairman Kilander stated that our discussion on the matter centered around the fact that we would probably spend about \$15,000 on things like painting, floor covering, etc. to make the space rentable to a new tenant.

Mr. Pawluk stated he would be willing to invest the \$16,500 if they signed a five year lease.

Mr. Blazek stated he would favor the three year lease for a \$16,500 investment on our part as the rate of return on the three year lease is much higher for the airport.

Mr. Blazek stated his second concern is making certain the work gets completed and on time.

Received Communication from VoxTelSys Regarding Proposed Eastside Terminal Office Space:  
(Continued)

Mr. Blazek moved to approve a three year lease term with VoxTelSys for a \$16,500 investment by the Airport Authority on improvements to the space.

Second by Mr. Pawluk.

Mr. Flacksbarth stated he can provide the airport with mechanics lien waiver forms that contractors can sign indicating they have been paid in full so there should not be any concern about mechanics liens.

Chairman Kilander stated upon approval of this motion the Airport Authority will commit to fund \$16,500 toward the completed project subject to our inspection and receiving lien waivers for work done.

Chairman Kilander called for a vote on the motion.

All members present voted aye and the motion was declared carried.

Authorized Attendance at the AAAE Legislative Conference, March 15-16, 2016, Washington, DC:

Mr. Blazek moved to authorize attendance by board members and staff at the AAAE Legislative Conference, March 15-16, 2016, Washington, DC.

Second by Mr. Pawluk.

All members present voted aye and the motion was declared carried.

Authorized Attendance at the Sixel Air Service Conference, April 5-7, 2016, Tallahassee, FL:

Mr. Pawluk moved to authorize attendance by board members and staff at the Sixel Air Service Conference, April 5-7, 2016, Tallahassee, FL.

Second by Mr. Blazek.

All members present voted aye and the motion was declared carried.

Received Request from ND Aviation Council to Sponsor the Upper Midwest Aviation Symposium, March 6-8, 2016, Bismarck, ND:

The communication from Mr. Jon Simmers, Chairman of the North Dakota Aviation Council, was received and filed without objection.

Mr. Dobberstein stated the symposium is in Bismarck this year and as in the past the larger airports in the state sponsor \$1,500 with the host airport sponsoring \$5,000.

Mr. Blazek moved to approve the \$1,500 sponsorship of the 2016 Upper Midwest Aviation Symposium.

Chairman Kilander relinquished the chair to Vice Chairman Pawluk and seconded the motion.

Mr. Kilander stated the symposium is something we have a history of participating in and overall it is good not only for the Airport Authority in Fargo but for the aviation industry statewide.

Mr. Blazek stated he agrees.

Received Request from ND Aviation Council to Sponsor the Upper Midwest Aviation Symposium, March 6-8, 2016, Bismarck, ND: (Continued)

Vice Chairman Pawluk stated he accepts that argument but he always feels it is a challenge if you are receiving tax payer dollars to respond to requests for sponsorships. He stated that is the basis for his opposition.

Mr. Kilander stated the dollars allocated for this come out of the operations and maintenance budget which does not involve any dollars collected from property tax dollars.

Vice Chairman Pawluk called for a vote on the motion.

All members present voted aye and none voting nay the motion was declared carried. Vice Chairman Pawluk returned the chair to Mr. Kilander.

Discussed Tenant Financial Review for 2016:

Mr. Dobberstein stated last year in our tenant financial review process we conducted a review of CBM Managed Services (Skydine). He stated this year he would recommend a review of the car rental agencies. He stated their lease contains a provision which allows them to select an accounting firm other than the one we choose, and we would engage EideBailly. He stated the tenant does pay 50% of the cost of the review.

Mr. Pawluk stated he does not want to see our authorization limited to 2015 since it is possible they may find something and would need to go back further, since we do not conduct these reviews on an annual basis on every tenant.

Mr. Blazek stated typically if something is found in one month they look at other months also.

Mr. Pawluk moved that the tenant financial review for 2016 focus on the car rental agencies and that we select EideBailly to conduct the reviews.

Second by Mr. Blazek.

All members present voted aye and the motion was declared carried.

Receive Proposed Lease Agreement for ND National Guard Readiness Center:

Mr. Dobberstein stated it has been about a year since the ND Guard Bureau came before us proposing to lease an additional 25 acres of property on the north end of the airport west of the drain. He stated the lease before the board today is for that 25 acres today and at some point in the future they are looking at an additional 15 acres for the aviation support facility. He stated the Guard Bureau believes this is funded in FY2019 so any time in October 2018 and beyond they could start construction.

Mr. Dobberstein stated Attorney Stewart has reviewed the lease and if for some reason the funding goes away the lease would go away. He stated the FAA is considering this an aeronautical use and we will move forward with charging them \$1.00 per year as we do with the other military leases. He stated the agreement does cover us in the event the FAA policy changes.

Mr. Blazek moved to approve the proposed lease agreement with the State of North Dakota for 25 acres for the proposed ND National Guard Readiness Center.

Second by Mr. Pawluk.

All members present voted aye and the motion was declared carried.

Elect Chairman of the Municipal Airport Authority for Calendar Year 2016, as Per Bylaws:

Mr. Blazek moved to elect Mr. Ken Pawluk Chairman of the Municipal Airport Authority for calendar year 2016, as per bylaws.

Chairman Kilander relinquished the chair to Vice Chairman Pawluk to second the motion.

All members present voted aye and the motion was declared carried.

Elect Vice Chairman of the Municipal Airport Authority for Calendar Year 2016, as Per Bylaws:

Mr. Kilander moved to elect Gen. Alexander Macdonald Vice Chairman of the Municipal Airport Authority for Calendar Year 2016, as per bylaws.

Second by Mr. Blazek.

All members present voted aye and the motion was declared carried.

Adopted Resolution of Appreciation to Outgoing Chairman, Mr. Don Kilander:

Mr. Blazek offered the following Resolution of Appreciation to outgoing Chairman, Mr. Don Kilander:

WHEREAS, Mr. Don Kilander, has just completed a year as Chairman of the Municipal Airport Authority, and

WHEREAS, During Mr. Kilander's term as Chairman of the Municipal Airport Authority he has demonstrated his willingness to serve the airport and the community by his generous commitment of time, energy, thought and devotion to duty, and

WHEREAS, Mr. Kilander's professionalism and expertise in many areas is a valuable asset to the Airport Authority.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority does hereby commend Mr. Don Kilander for his effective efforts on behalf of the Municipal Airport Authority and Hector International Airport.

BE IT FURTHER RESOLVED, That this resolution be inscribed upon the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Mr. Don Kilander.

Chairman Pawluk relinquished the chair to Mr. Kilander and seconded the motion.

All members present voted aye and the resolution was declared to be duly passed and adopted.

Mr. Kilander returned the chair to Chairman Pawluk.

Airport Construction and Security Update:

Mr. Terry Stroh, TL Stroh Architects, was recognized and stated the restroom expansion project is going along very well and Gast thinks they may be done in even less than 45 days. He stated CBM has now hired TF Powers for their expansion project in the departure lounge.

Mr. Jeff Klein, Mead & Hunt, was recognized and stated they are moving forward with the Airport Master Plan Update after receiving the FAA's approval of the forecasts. He stated that allows us to develop the facility needs of the airport. He stated we will be scheduling another Advisory Committee meeting in the near future.

Mr. Tim Johnson, Manager of the FAA Air Traffic Control Tower, was recognized and stated on February 6 the Fargo Tower will be up and running on the new Standard Terminal Approach Radar System (STARS), which will be replacing 1960's and 1970's technology.

Mr. Dobberstein stated he had a visit from a representative of the Arts Partnership last He stated the concept they are proposing is to place two or three large pieces of sheetrock on wheels where people can do chalk art either side of the board. He stated they are proposing to move them to different locations throughout the terminal. He stated if the airport funds the materials (\$1,500) then the Arts Partnership will hire the artists to do the initial drawing on each side of the boards. He stated this would be to promote their chalk festival. He stated the idea is that people will see the boards and feel free to add their art.

Mr. Blazek stated it was his understanding that this would not cost the airport anything.

Mr. Kilander stated his concern would be the content and how we would monitor that and keep it G rated.

Chairman Pawluk stated he would like more information and time to consider this before we take any action by the board.

Commissioner Gehrig stated he understands the concerns stated about this particular project.

Mr. Kilander agrees the terminal is a great venue for local art but he has real concerns about the concept being proposed.

The Annual Meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, February 9, 2016.

Time at adjournment was 8:47 a.m.