

Regular Meeting

Tuesday

July 26, 2016

The Regular Meeting of the Municipal Airport Authority of the City of Fargo, North Dakota, was held Tuesday, July 26, 2016, at 8:00 a.m. in the Airport Boardroom.

The members present or absent were as follows:

Present: Clark, Blazek, Kilander, Haugen, Pawluk
Absent: None
Others: Bossart

Chairman Pawluk presiding.

Chairman Pawluk introduced and welcomed newly appointed board member Gen. Mike Haugen.

Approved the Minutes of the Regular Meeting Held June 28, 2016:

The minutes of the Regular Meeting of the Municipal Airport Authority held June 28, 2016 were approved without objection.

Approved the Airport Vouchers Totaling \$40,408.07:

Mr. Blazek moved to approve the airport vouchers totaling \$40,408.07.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Received Change Order #1 to Northern Improvement Company for an Increase of \$1,342.00 for the Taxiway A Reconstruction Project, AIP45:

Mr. Jeff Klein, Mead & Hunt, was recognized and stated Northern Improvement submitted a change order for an increase \$1,342.00 to install some temporary jumpers from the north end of Runway 13 to roughly the area of the electrical vault, approximately 1,500 feet. He stated the record drawings indicated that the edge lighting circuits circuit for Taxiway A and Runway 13/31 were in separate trenches but once into the project we discovered they were in the same trench. He stated this temporary jumper will maintain lighting for Runway 13/31 during construction.

Received Change Order #1 to Northern Improvement Company for an Increase of \$1,342.00 for the Taxiway A Reconstruction Project, AIP45: (Continued)

Mr. Kilander moved to approve Change Order #1 to Northern Improvement for an increase of \$1,342.00.

Second by Mr. Blazek.

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

No member being absent and none voting nay the motion was declared carried.

Approved Change Order #1 to Northern Improvement Company for an Increase of \$19,121.24 for the Terminal Taxiway and Taxiway A3 Reconstruction, Project AIP46:

Mr. Jeff Klein, Mead & Hunt, was recognized and stated Change Order #1 for an increase of \$19,121.24 to the Terminal Taxiway and Taxiway A3 Reconstruction Project (AIP46) involves a large 60" storm sewer that drains the south end of the airfield running from approximately Runway 13/31 through Taxiway A and then off to the east side of the airfield. He stated due to the poor condition of the joints in the existing pipe the water saturated the soil beneath the pipe which did not provide a solid foundation on which to lay the new pipe. The saturated material will be removed and replaced with rock to properly support the new pipe.

Dr. Clark moved to approve Change Order #1 to Northern Improvement for an increase of \$19,121.24 for the Terminal Taxiway and Taxiway A3 Reconstruction Project, AIP46.

Second by Mr. Kilander.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Sixel Consulting Group:

Mr. Kilander moved to approve the individual voucher in the amount of \$2,395.06 to Sixel Consulting Group for payment request for consulting services for the 2016 Denver Jumpstart conference.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Flint Communications:

Mr. Kilander moved to approve the individual voucher in the amount of \$9,776.32 to Flint Communications for partial payment request for 2016 Airport Marketing Program.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Olaf Anderson, Inc.:

Mr. Kilander moved to approve the individual voucher in the amount of \$120,846.98 to Olaf Anderson, Inc. for Partial Payment Request #4 for construction of the Access Road, Apron Lighting and Sanitary Sewer Improvements.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Fargo Electric Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$227.50 to Fargo Electric Construction for utility locates for Taxiway A Reconstruction Project, AIP45.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Fargo Electrical Construction:

Mr. Kilander moved to approve the individual voucher in the amount of \$105.00 to Fargo Electric Construction for utility locates for Access Road, Apron Lighting and Sanitary Sewer Improvements.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Mr. Kilander moved to approve the individual voucher in the amount of \$38,446.74 to Mead & Hunt for partial payment request for engineering services in connection with the Airport Master Plan Update, AIP42.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Mr. Kilander moved to approve the individual voucher in the amount of \$10,236.44 to Mead & Hunt for partial payment request for engineering services in connection with the Airport Master Plan Update, AIP42.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Mead & Hunt:

Mr. Kilander moved to approve the individual voucher in the amount of \$5,336.00 to Mead & Hunt for partial payment request for engineering services in connection with the Taxiway A and A-1 Design, Project AIP47.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,391,208.33 to Northern Improvement Company for Partial Payment Request #4 for construction of the Taxiway A Reconstruction Project, AIP45.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Northern Improvement Company:

Mr. Kilander moved to approve the individual voucher in the amount of \$964,542.30 to Northern Improvement Company for Partial Payment Request #1 for construction of the Terminal Taxiway and Taxiway A3 Reconstruction, AIP46.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Approved the Individual Voucher to Greater F-M Economic Development Corporation:

Mr. Kilander moved to approve the individual voucher in the amount of \$1,650.00 to the Greater F-M Economic Development Corporation for the 2016 Focus Investment (air service).

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Elected Vice Chairman for the Remainder of CY2016:

Mr. Kilander moved to elect Mr. Steve Blazek Vice Chairman of the Municipal Airport Authority for the remainder of calendar year 2016.

Second by Dr. Clark.

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

Received Change Order #3 to Olaf Anderson for a Deduct of \$4,500.00 for Access Road, Apron Lighting and Sanitary Sewer Improvements:

Mr. Jeff Klein, Mead & Hunt, was recognized and stated Change Order #3 to Olaf Anderson for the Access Road, Apron Lighting and Sanitary Sewer Improvements is for a deduct of \$4,500.00. Mr. Klein stated this project was bid back in August 2015 and after the bid opening there were a number of revisions made to the project. He stated one of those revisions was a reduction in the depth of the crushed concrete base from 12" to 8" which resulted in this deduct.

Mr. Kilander moved to approve Change Order #3 to Olaf Anderson for a deduct of \$4,500.00 for the Access Road, Apron Lighting and Sanitary Sewer Improvements.

Second by Dr. Clark.

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

No member being absent and none voting nay the motion was declared carried.

Received Update and Proposals for Airport Shelterbelt Renovations:

Mr. Scott Liudahl (City of Fargo Forester), Mr. James Hansen (Hanson Design Associates) and Mr. James Danielson (Cougar Tree Care) were introduced.

Mr. Liudahl gave a brief history of the airport shelterbelts and stated most of them are about 30 years old and the expected lifespan on a mature shelterbelt is about that length of time before things start to change and it loses its functionality and you basically need to remove it and start over. He stated the sites have changed a lot with some of the farming activities, changes in grade, the drain that runs through, etc. since they were initially installed. He stated that may be contributing to some of the expedience of the work they are proposing. He stated about a year ago we partnered with the ND Forest Service to do an assessment of the airport shelterbelts. He stated there are actually 16 shelterbelts on the airport. He stated they went through each one and came up with some recommendations.

Mr. Liudahl stated after receiving the Forest Service's recommendation we looked at how we could break up the areas and prioritize so that we could manage the entire project over a two to five-year cycle. He stated the priority areas would be those starting at Dakota Drive extending past the terminal building.

Mr. Liudahl stated the Forest Service essentially recommended starting over, with the exception of spruce trees, which would stay in place. He stated they received comments from the Fargo Park District on the importance of the screen provided between the airport and their soccer fields. He stated once the approval for the removal is given it will take about four to six weeks to remove the trees in those areas. He stated replacements would begin next year. He stated once all of the existing trees have been removed they will take a look at the site, evaluate drainage, etc. and match the best species of trees for the site. Mr. Liudahl stated Cougar Tree Care was the only bidder on the project and those three bids were provided to the board members.

South 1/3 shelterbelt - \$41,000.00

Middle 1/3 shelterbelt - \$47,500.00

North 1/3 shelterbelt - \$41,000.00

Chairman Pawluk asked what the consequences are if we do nothing.

Received Update and Proposals for Airport Shelterbelt Renovations: (Continued)

Mr. Liudahl stated even with some work that has been done in the past to remove dead trees, you can see that some areas have just become more of a wooded area rather than functioning as a true shelterbelt.

Mr. Blazek stated asked the purpose of a shelterbelt.

Mr. Liudahl stated from a forester's standpoint a shelterbelt prevents wind erosion and snow accumulation. He stated in key areas that is important to have. He stated the Riviera Mobile Home Park is a good example. The park was inaccessible to emergency vehicles in the winter of '96-'97 but there is a significant buffer from wind and snow with the shelterbelt installed by the airport.

Mr. Pawluk stated it is his observation that if we spend the proposed \$130,000 to remove the existing trees as proposed and replace with conservation plantings that will probably take 10-15 years to get to the point where they will do what we want them to do.

Mr. Blazek asked if that means we are going to have snow and erosion issues for that time.

Chairman Pawluk stated we will still have the spruce trees in place.

Mr. Liudahl stated that is a good point but we will select some varieties that will have varying degrees of growth and some will grow faster than others. He stated having varied degrees of shapes and heights of trees will capture snow. He stated the shelterbelt currently contains a number of ash trees and at some point in time those will be doomed by the emerald ash borer. He stated there are more disease resistant varieties of trees we can use.

Mr. Kilander stated no matter when we choose to do the renovation we will experience some period of time where the shelterbelts are not what we want them to be. He stated the longer we wait the more dramatic that becomes.

Chairman Pawluk stated we have a wooded lot now that is doing what we want it to do and he is inclined to leave it as is for the time being. He stated he would rather see us spend the money right now on planting alternate trees along Joe Parmer Drive to prepare for the demise of the ash trees in the future. He stated he feels that is more important.

Mr. Kilander stated he thinks the aesthetics along Joe Parmer Drive are very important but he sees no reason to delay what we need to do in the shelterbelts. He stated he has seen a lot of trees damaged during storms in the past couple of weeks and he sees no reason not to address it now.

Gen. Haugen stated he has done a lot of tree planting in his own shelterbelts and it is almost a constant replacement process as species die out and if you don't do that you end up with nothing. He stated he is in favor of as much green during the winter as possible.

Chairman Pawluk stated our options are to do nothing and let nature take its course or to move ahead with the proposed recommendation for removal and replacement.

Mr. Dobberstein stated he would like to see this project done as the shelterbelts are starting to look terrible.

Dr. Clark stated she would agree. She stated they have lost a number of trees on their property in Minnesota and they are now having to react in somewhat of an emergency fashion and it has made them aware of the fact that they should do some planning for their trees.

Mr. Darren Anderson was recognized and stated the point that is being overlooked is the wildlife habitat that the overgrown woods are providing. He stated dead trees are perches for birds and overgrown provide cover for wildlife such as deer and fox. He stated that is a huge concern for the FAA.

Received Update and Proposals for Airport Shelterbelt Renovations: (Continued)

Mr. Kilander moved to move forward with the shelterbelt reclamation process and accept the bid to remove all trees but the spruce trees and prepare the sites for replanting.

Second by Dr. Clark.

Mr. Blazek asked if we are having them remove all of the wood chips or if they would be stockpiled.

Mr. Liudahl stated the majority will be removed but some will be left on site to be utilized during the replacement process.

Mr. James Hanson was recognized and stated the Park District did request leaving the shrub row along the soccer field in place for now as a buffer and there was a deduction taken for that.

Chairman Pawluk asked we look at the possibility of planting rows of new trees in an adjacent area and waiting to remove the existing trees until the new trees have grown.

Mr. Liudahl stated that was considered but he does not feel there is enough space and with the drain work that was just done there is even less room.

Mr. Kilander stated part of that concern will be addressed by leaving the spruce trees in place.

Chairman Pawluk called for a vote on the motion.

Clark, Blazek, Kilander, Haugen voted aye.

Pawluk voted no.

The motion was declared carried.

Received Preliminary CY2017 Operations and Maintenance Budget and Preliminary CY2017 Improvement Fund Budget: (Receive notice from City of Fargo to increase annual fee):

Mr. Dobberstein presented and reviewed the preliminary Operations and Maintenance Budget and the preliminary Improvement Fund Budget for calendar year 2017.

Mr. Dobberstein stated the City of Fargo is interested in seeing an increase in the current \$50,000 annual fee the Airport Authority pays the City to participate in accounting and human resources systems. He stated when the Airport Authority was established in 1969 it was decided that the airport would pay an annual fee of \$30,000 to the City of Fargo, which was the annual salary and benefits for a mid-level position in the auditor's office. He stated that amount stayed the same until 1987 when it was increased to \$50,000. He stated the city feels that amount now should be \$97,999. He stated a lot of things have changed since 1969 and 1987 in how we handle the accounting and payroll processes. He stated in the past the process was paper driven so we would have purchase orders and payroll documents that had to be delivered to city hall for processing. He stated all of that has been automated for a number of years and all of the information is entered in the airport office. He stated he would argue that there is a lot less labor intensive things that have to be done by City staff. He stated Kent Costin, Finance Director, prepared a list of services provided to the airport. He stated some of the tasks on the list do not take very long and some might happen only once a year but the list covers services provided. He stated he has engaged the FAA Airports District Office in Bismarck to run this through the FAA's policy compliance. He stated the FAA might want to do a time management study for a month which would involve the city staff to track any time spent on airport issues and annualize it based on that study. He stated the City has tried to increase the fee in the past but they were not able to provide sufficient rationale to the FAA.

Received Preliminary CY2017 Operations and Maintenance Budget and Preliminary CY2017 Improvement Fund Budget: (Receive notice from City of Fargo to increase annual fee): (Continued)

Mr. Kilander stated when he was involved in salary discussions with the mayor this subject was brought up and his response to the mayor was that the airport is willing to pay whatever is justified. He suggested approving the request subject to the FAA's scrutiny, as the airport is more than willing to pay our fair share.

Mr. Blazek moved to approve the requested increase to the City of Fargo general fund in the amount of \$97,999 annually, contingent upon review by the Federal Aviation Administration.

Second by Mr. Kilander.

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

After further review of the proposed budget, Mr. Blazek moved to approve the proposed Operations and Maintenance Budget and Improvement Fund Budget for calendar year 2017.

Second by Mr. Kilander.

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

Certify Mill Levy to the Board of City Commissioners for 2017 Improvements, per Section 2-06-14 of the North Dakota Century Code:

Mr. Kilander moved to certify to the Board of City Commissioners a mill levy amount of \$990,000 not to exceed 2.0 mills, as per Section 2-06-14 of the North Dakota Century Code, for 2017 improvements.

Second by Mr. Blazek.

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

Received Lease Extension Agreements for NDSU, Crop Years 2017-2018:

Mr. Dobberstein stated our other two farm tenants, Tom Beaton and Cass Clay Farms, had recently requested and the board approved two year extensions to their farm leases. He stated that will trigger our NDSU leases to be extended as well.

Mr. Kilander moved to approve the extension of farm lease agreements with NDSU for crop years 2017 and 2018.

Second by Mr. Blazek.

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

Received Notice of Expiration of Special Assessment Deferral - Water Main Improvement District 5130-02:

The communication from the City of Fargo dated July 22, 2016 was received and filed without objection.

Mr. Dobberstein stated we were just advised of a special assessment deferral that expired 10/29/12. He stated this project was the installation of a water main for fire protection along 39 1/2 Avenue North, which is of no benefit to the airport. He reviewed communications from Mark Bittner,

Received Notice of Expiration of Special Assessment Deferral - Water Main Improvement District 5130-02: (Continued)

Director of Engineering - City of Fargo, and Attorney Stewart from 2000-2002 and it was his understanding that the airport provided the easement at no cost and the airport was not going to be assessed but it turns out the assessment was deferred. He stated the amount is \$83,794.58.

Mr. Dobberstein stated the reason this was lost in the system is that the county and the city merged when some annexation took place and some of the parcels were eliminated. He stated we have the option of deferring them again or payment them off. He stated he would recommend paying them at our first opportunity which is October.

Chairman Pawluk stated we can make a plan today to pay off this specials deferral but he suggested that we take a look at this particular deferral and the history behind it so that we can perhaps get clarification and then use that for future easement requests. He directed Attorney Bossart to look into this and report back to the board with her findings.

Mr. Kilander moved to approve payment of deferred specials in the amount of \$83,794.58 for Project #5130.

Second by Dr. Clark.

Chairman Pawluk asked that before payment is made we make certain Attorney Bossart does not find something that would show we should not pay this assessment.

On the call of the roll, members Clark, Blazek, Kilander, Haugen, Pawluk.

No member being absent and none voting nay the motion was declared carried.

Authorized Attendance at the AAAE National Airports Conference, October 2-4, 2016, Orlando, FL:

Mr. Kilander moved to authorize attendance by staff and board members to the AAAE National Airports Conference, October 2-4, 2016, Orlando, FL.

Second by Dr. Clark.

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

Authorized Attendance at the NAFTAZ Annual Conference, October 16-19, 2016, Orlando, FL:

Mr. Dobberstein stated his attendance at this conference is a requirement for his continuing education for the operation of our Foreign Trade Zone.

Mr. Kilander moved to authorize attendance by the Executive Director at the NAFTAZ Annual Conference, October 16-19, 2016, Orlando, FL.

Second by Dr. Clark.

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

Received Communication from Widmer Roel Regarding CY2015 Financial Review for Avis, Budget, Payless:

Mr. Dobberstein stated earlier this year the board decided to conduct the tenant financial review on the car rental agencies for CY2015 and selected EideBailly to conduct the review. He stated the leases with the car rental agencies allow for them to select their own accounting firm to

Received Communication from Widmer Roel Regarding CY2015 Financial Review for Avis, Budget, Payless: (Continued)

conduct financial reviews and Mr. Bernie Ness (Avis/Budget/Payless) opted to have Widmer Roel conduct their review. He stated Widmer Roel has conducted the review and provided a report of no discrepancies.

Mr. Kilander moved to receive and file the independent accountant's report on applying agreed-upon procedures for Avis, Budget and Payless from Widmer Roel.

Second by Blazek.

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

Mr. Dobberstein stated EideBailly is working on Hertz and also with National/Alamo/Enterprise. He stated they have done as much as they can on the Hertz review due to the sale by Hansen Lease & Rental to Overland West. He stated they are telling us that they no longer have access to the records. He stated Hansen still owes us in excess of \$20,000 and we continue to send invoices and work with Mr. Hansen's financial representative.

Received Update on Deed Restrictions for Airport Authority Property North of Cass County Road 20:

Mr. Dobberstein stated in anticipation of the City's planned 25th Street improvements, he has been working with Attorney Bossart on deed restrictions for the airport property. He stated he had provided to April Walker, City Engineer, the land development code, the FAA's airspace requirements (FAR Part 77), and the city ordinance that already restricts the development of the property just by federal requirements. He stated those things were not adequate proof for the City and they are requiring deed restrictions. He stated he has engaged the FAA office in Bismarck and Mr. Gary Ness, Mead & Hunt. He stated Mark Bittner, Director of Engineering/City of Fargo, provided us with examples of deed restrictions with language we can use for all of our property north of County 20, as well as the property east of University Drive and north of Riviera Heights. He stated sometime this week he and Attorney Bossart will have a conference call with Mr. Ryk Dunkelberg, Mead & Hunt, who has worked on deed restrictions for other airports. He stated the only use of the land would be agricultural plus any improvements required by the FAA to their equipment located on the property. He stated according to April Walker and Dan Eberhardt the deed restrictions will lower the specials assessed to the airport although we are not certain how much of a reduction.

Mr. Blazek asked if the deed restrictions have to be filed prior to any type of special assessment district being on record.

Attorney Bossart stated it is the intent to get these deed restrictions in place as soon as possible and get them recorded.

Mr. Blazek stated he just wants to make certain that we are ahead of the game.

Adopted Resolution of Appreciation to Gen. Alexander P. Macdonald for His Service on the Municipal Airport Authority:

Mr. Kilander offered the following resolution of appreciation to Gen. Alexander P. Macdonald and moved its adoption:

WHEREAS, Gen. Alexander P. Macdonald recently completed his service on the Municipal Airport Authority, and

WHEREAS, Gen. Macdonald has served on the Municipal Airport Authority for 28 years collectively over the period from 1976 through 2016, and

WHEREAS, Gen. Macdonald has served the Airport Authority with distinction, giving generously of his time and expertise in many areas, specifically in military and aviation issues, with contributions that have been significant to the growth and success of Hector International Airport, and

WHEREAS, Gen. Macdonald's number of years of service as a member of the Municipal Airport Authority now sets the record for most years served by a board member and this record will not likely be broken any time soon.

NOW, THEREFORE BE IT RESOLVED, That the Municipal Airport Authority does hereby thank Gen. Alexander P. Macdonald for his many years of outstanding service and request that he not be a stranger and that he continue his interest in Hector International Airport.

BE IT FURTHER RESOLVED, That this resolution be inscribed up on the permanent minutes of the Municipal Airport Authority and a certified copy of the herein resolution be forwarded to Gen. Alexander P. Macdonald.

Second by Dr. Clark.

All members present voted aye and the resolution was unanimously passed and adopted.

Airport Construction and Security Update:

Mr. Jeff Klein, Mead & Hunt, was recognized and stated all of the concrete from the terminal taxiway has been removed and filled with aggregate base. Northern Improvement started paving the Taxiway A portion last week.

Other Business:

Mr. Kilander stated Mr. Blazek has agreed to assist with the subcommittee for the Airport Parking Lot Master Plan. He stated he would like to put some definition on what we are trying to do. A meeting was scheduled for Tuesday, August 2 at 9:00 a.m. in the Airport Boardroom.

The meeting of the Municipal Airport Authority was adjourned until the next regular meeting to be held Tuesday, August 9, 2016 at 8:00 a.m.

Time at adjournment was 9:38 a.m.