

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
November 7, 2013

MEMBERS PRESENT: Rolf Johnson, Dr. Kennon Broadhurst, Steve Kaiser, Lon Gellhaus

MEMBERS ABSENT: Mike Erickson

OTHERS PRESENT: Mike Wilson, Rich Krokkel, Michael Schmit, Kevin Braun, Elisa Sand
Rhea Ketterling

Vice Chairman Johnson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:33 am on Thursday, November 7, 2013.

Item #2 - Approval of minutes from October 3, 2013 meeting – Kaiser moved approval of the minutes, seconded by Broadhurst. **MOTION CARRIED.**

Item #3 Adoption of the agenda – Moved by Broadhurst, seconded by Kaiser. **MOTION CARRIED.**

Item #4 – Next meeting scheduled for Thursday, December 5th at 11:30am.

Old Business:

New Business:

Item #5 Bills – Amended bill list was distributed. Gellhaus moved approval of the bills for the month of October, seconded by Kaiser. Kaiser asked on the Midco; he is assuming that they are running it on 5 to 8 different channels. Wilson stated they did a mix like History, ESPN, USA, etc. Johnson asked about the hydroblasting bill. Wilson stated this work was done on txy B; where the signs and markings had to be redone. We tried doing this work our self, but the time and the supplies used was not economical. This company took about an hour to get the blasting done. We repainted and now we have two signs with 6' numbers on the left and two signs on the right that are stacked that are 9'. This is not the standards, but FAA approved it since this intersection is going away in a couple of years with the decoupling project. Broadhurst asked about the difference on the lodging bill. Wilson stated Krokkel had a family commitment so he was not able to get there the same day Wilson did. Krokkel arrived the following day.

MOTION CARRIED approving the bills.

Item #6 Financial Report – Kaiser moved approval of the financial report, seconded by Gellhaus. **MOTION CARRIED.**

Item 7: Recommendation to pay Helms and Associates Invoice #9 in the amount of \$ for AIP Proj. #3-46-0001 -33-2013 Wetland Removal and Storm Water Improvement, 53 % complete – Moved by Gellhaus, seconded by Kaiser to pay Invoice #9. Schmit from Helms stated that last week they finally received the approval from Dave Anderson from the ADO to send out the report to Al Fenedick who is the Environmental Specialist. The report that was sent out is a synopsis of the alternatives that had been discussed previously. Schmit could not reach Fenedick this morning to get the timeframe for his comments. Schmit apologized to the Board for not having this information. Wilson added the letter we put together is everything Fenedick requested detailing what we have done, what option we looked at and why we feel draining a 10 year event is the appropriate drainage that we need to do. Johnson stated his understanding is that they have to get a ruling based on giving clearance to move forward with the plan indicating that they sign off that so much time necessary to remove the water and how long we can store the water. Wilson stated we are detaining a 100 year event, but we have to drain a 10 year event. The area we are running into issues is that they usually want this drained within 48 hours and we are trying to go up to 96 hours. Based on the previous conversation with the FAA (Fenedick), he thinks that this will be an appropriate time for us based on the cost that is associated with having to drain in 48 hours. **MOTION CARRIED paying invoice #9.**

Item #8: Recommendation to renew Lease #34, Hangar #17, Arment/Wirebaugh: Moved by Broadhurst, seconded by Gellhaus. **MOTION CARRIED.**

Item #9 Review of Rates: Our rates are fuel flowage at \$0.03 per gallon, landing fees at \$0.53 per thousand pounds, \$8.40 for cargo carriers, private hangars at \$0.114, FBO hangar and cold storage is the same as the private hangar rate, FBO shop and office is at \$0.18, fuel storage and ground space is at \$0.054, terminal rent: shared space at \$10.00 per square foot; exclusive use space is at \$15.00 per square foot, TSA is at \$20.00, RAC is at 7% gross and PFC is at \$4.50. Hangar rent was discussed and increased last year. Landing fees for cargo was also discussed and increased. Wilson contacted other airports and their airline charges are: Jamestown is at \$0.61854, Sioux Falls is at \$0.65, Huron charges \$7.50 minimum plus \$0.20 per thousand pounds and Pierre charges \$14.30 and \$0.22 per thousand pounds. Wilson's suggestion is to increase our landing fees closer to what the others are charging. The one approved last year was \$0.551 which was to start March 2014 when the new EAS contract starts. Broadhurst asked is it possible to have something that they can look at and think about and table this item until next month. Gellhaus stated this is his thought too. Also get a history and what Wilson's recommendations are. Motion to table the review of rates; moved by Broadhurst, seconded by Gellhaus. **MOTION carried.** Broadhurst asked with the rate increase who would be affected. Wilson stated what he would be proposing this year would probably be the airline. Broadhurst stated when we start raising rates and we have a contract that is an EAS, maybe this will be negated by the EAS contract, we can't raise their rent; we never raise the space. Wilson stated he did not raise it in the middle of their contract. Come March they will see a raise in their rent which is the end of the existing contract. Broadhurst asked if the airline information can be included in Wilson's report for next month. Braun from Quest asked what the criteria for charging cargo planes landing fees like air ambulance. Wilson stated the cargo (FedEx and UPS) that lands here we receive data from them monthly. We do not have staff tracking landing for others. Wilson added we receive money for air ambulances through the air flight tax that the county assessed on them.

Item #10 Airport Manager's report:

10a: EAS – The original docket notice for proposal was October 24th. They had extended this through November 15th. Shortly after this, we should have a proposal on the Federal register. Somewhere on the 20th this should be on the regulations.gov. Once we get the proposals, we should have a special meeting right away and make a recommendation on selection of carrier. We can then submit to the Council after. Gellhaus asked Wilson to give the Board a heads up when this comes in. Wilson stated the DOT uses 4 factors for determination on EAS; service reliability of the carrier, cost of the proposal, connections to other air carriers, and public input – which would be the Board input, City Council's input and others who would want to put their input. Johnson asked when they make their proposal can schedule be affected. Wilson stated they have to provide us with a schedule that would allow good connections with other flights. There are some people that are complaining about the 5:20am flights. We cannot dictate that they will provide us a flight at 6:20am. We can put this as a recommendation, if this is the recommendation. Wilson heard both sides on the morning flights. There are people who enjoyed it and there some that do not. Johnson stated the airline has the prerogative to adjust schedules when they sign a new contract. Wilson stated they can adjust schedule at any point. They have to provide us 2 flights per day, 7 days a week and has to be going to a large hub airports. Kaiser asked for the feedback on the flight. Wilson stated there are 2 people that had been vocal that they do not care for the morning flight. Johnson thinks that with this they are getting better connections. Wilson agreed. Kaiser would like to see the real numbers of what they are before they change the time. Johnson stated this could be skewed by seasonality.

10b: Crack Sealing – We had 3 ton of material. The parking lot and the road were done and majority of the work was on the crosswind runway. This was done Friday prior to the snow coming through. Kaiser asked about the parking lot resurfacing. Wilson stated we will probably budget in 2 years for chipped sealing the lot which would be about \$60,000.

10c: 2013 LOC - This was discussed above. Johnson asked when we decouple will we have a run up area, like a semi-circle. Wilson stated there will be a connector at the end of the runway and another connector that would cross over to txy C.

10d: Reimbursable Agreement – When Wilson was at the NASAO conference, he meet people from the Thales Group who does reimbursable agreement. We are still in negotiations with them and hope to get them here next week. We are also trying to get the FAA to meet with us, so we can make sure that they will be on board if we decide to go with the Thales Group. Typically, the Thales Group they do this work in hopes of actually putting in the new equipment themselves because they are a supplier for it and installs it. Sometimes they do the work without installing their own equipment which is probably the case here as we will not have a lot of new equipment that will

actually go in. Thales said that they will fly in without having a contract with the understanding that they may not have a contract. They will meet with us and do a site review at their own cost. They will look at this to see if this is something they can do, if they can do something cheaper than the FAA. Kaiser asked where are the NAVAIDs. Wilson stated all over the airfield. These would be anything that will be impacted by the project. The localizer, Wilson is still debating as this actually can stay where it is. Wilson does not see the point on moving this. If this is not moved, this can decrease the cost of the project. Wilson also does not see the point on moving the ASOS. This would just be more expense and the only reason they want to move this is it is typically collocated with the glidescope. Johnson asked the reason that we have two glidescope lights; one is all in one line and then the stack ones. Wilson stated this would be the PAPI's and VASI's. The FAA has the one set of VASI's and we have the PAPI's. When this project comes, the VASI's will go away and it would go to Airport owned PAPI's. The VASI's are the stacks, which is owned and maintain by the FAA.

10e: SIC (Snow and Ice Control) meeting – We had our first snow event of the season and had the first meeting this week. Wilson stated things went well, just some issues in bookkeeping that we need to work on. We will also buy another friction meter tester. We have a Bowmonk which is about 7 years old. We are getting a Vericom which does the same job as the Bowmonk. Brookings, Watertown and Bismarck are a few that has a Vericom unit. This unit is more user friendly than the Bowmonk. Johnson asked how often is this done. Wilson stated as conditions change. Reading of below 40 has to be reported in the NOTAM system; above 40 is non-reportable and below 20 we close the runways. We are also buying a snow blower for our skidsteer to help us out with the parking lot areas and pedestrian walkway.

Item #11 Other Items:

11a: Marketing – Kaiser stated he would still like to see more traffic. Our marketing message is to get people to use this airport versus the 50% that we are still losing to the other airports. Kaiser asked if there is a way for us to gather the data of the percentage of people flying in our community. Johnson stated the article about Sioux Falls last week was well written with positive spin. Wilson does not think we need this study as we have the one that was done in 2010. We had increased 5,000 passengers since then. Kaiser stated he is not suggesting on doing another survey. What we need to do is to try to drive more people on using the Airport because the last survey that we had and the ones before showed that 50% of people do not use this Airport who lives in this county. Johnson stated this is where Sioux Falls is too. Wilson agreed and added that people from Sioux Falls flies out of Omaha. Anywhere, you are at people are flying out somewhere else. Johnson stated the perception that people create, even this Board had dealt with in regards is price. Johnson does not think this is a 100% everybody's motive. Some people had come to the conclusion where they are flying in December through March that is not just safe to be in the highway where weather is a factor. There is more to be sold than just the price. Gellhaus agreed specially in the winter time, where the convenience is much so. Wilson stated he talked to someone who got their ticket for \$380 per person for a family of four, where Sioux Falls is at \$351 per person. They looked two weeks later and our price was down to \$350. For a family of four, \$120 in savings; you gas, your time, parking fees, and the headache is it really worth it?

Wilson stated for next year he will be working with Sixel possibly looking at what would it take to get a third flight. Wilson thinks it would take a revenue guarantee and the City cannot afford this. Or, Wilson might have them work on SCAS (Small Community Air Service) grant which could be used for marketing. In the past we used this grant to bring Great Lakes in, but now that we are an EAS we cannot use SCAS to bring in another service or to lower ticket prices.

Broadhurst asked if we can ask SkyWest to hold the price to MSP and our effort would be to advertise to people to schedule early. Wilson stated this is not allowed being we are on EAS. We cannot be advertising a set ticket price for the airline. Broadhurst stated not to advertise the price, but just to book your flight early and save on your rate. For people who do not know this, it would prompt them. Johnson agreed. Wilson stated the ones who knows they are going book early, it just the business fliers that gets some higher fares for those unexpected meetings that comes up. These are the ones that Wilson gets a lot of complaints on.

11b. Hunting Season – Johnson asked how are we on filling the seats. Wilson stated some of them are and some are not. Wilson thinks that they should have had flights on Sundays. They operated on Monday, Wednesday, Thursday, and Friday, 3 flights. They also had this scheduled through the 28th of November and they scale this back a week because the numbers were down. For the month of October, our passenger count was down 1.6% over last year

(about 60 passengers). The pheasant count was down this year. Johnson asked about the private side. Braun stated its down. Gellhaus stated considering the hunting report, this is probably not too bad of an average.

Gellhaus moved to adjourn, seconded by Broadhurst. Meeting adjourned at 12:25pm.