

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
March 3, 2011

MEMBERS PRESENT: Mike Erickson, Rolf Johnson, Steve Kaiser

MEMBERS ABSENT: Nate Zeeb

OTHERS PRESENT: Mike Wilson, Bob King, Gary Dahlerup, Ron Erickson, Bob Gruman, Mitch Aman, John Aman, Kevin Braun, Sam Muntean, Lynn Lander, Comm. Mike Wiese, Jeff Bahr, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:31am on Thursday, March 3, 2011.

Item #2 - Kaiser moved approval of the minutes from the February 3, 2011 meeting, seconded by Johnson. **MOTION CARRIED.**

Item #3 - Adoption of agenda, moved by Johnson, seconded by Kaiser. **MOTION CARRIED.**

Item #4 - The next meeting is scheduled for Thursday, April 7, 2011.

Old Business:

Item #5 - Lights for sign - Wilson reported he had looked at the signs and they are not very well lit. We have a few different ideas on them and the easiest and cheapest one was to take the signs from where they are currently and move them in so the light hit the front a little better and this did not help. Ringgenberg is coming back today to look at them and replace the LED heads with halogen on one of the signs to see if this helps the situation, if not we have to look at something else in the future. Johnson stated if they can change it soon it would be nice.

Item #6 - Airport Marketing - Wilson reported he had put together a radio ad and this will be starting next week. This is going to run on 97.7, 103.7 and 106.7 five times per day on each station for three weeks. Wilson also is looking at either sponsoring weather or stump the DJ; one of these for a few months at this time. They are also going to be doing interview the Airport Manager. We have to set something up on this and it would be most likely once per month. This way Wilson can update them on how the enplanements are on the Airport. Kaiser has also been trying to assist us with getting some additional funding for doing some television ads. They met on this today. So far nothing has happened on this. Kaiser stated he received an email from Julie Johnson from Absolutely Aberdeen. Kaiser thinks that Julie is on board and that Absolutely Aberdeen can participate in using some in-kind media. They have some sitting there since the last campaign was run. Kaiser thinks they will contribute this to us to get our message across that Wilson properly put together. Wilson stated we are tentatively scheduled to have a second jet per day starting April 1st. With this we will have an additional 16 passenger seats each day available. Wilson would like to insure that we continue to have three flights per day, so Wilson wants to get the numbers up. Keep the usage up on the airplanes, so we do not get dropped to two flights. They haven't said they are going to, but it is something that can happen since when we had 3-SAAB 340's; we were at 102 seats per day. Eventually we will most likely go up to three Regional Jets and we will have 150 seats per day. If they would drop us back down to two, we will be at a 100 and 2 seat off from what they originally had on three flights a day. The second jet is the midday one which leaves around 1:00pm. Johnson stated the rumor is three jets per day. Wilson stated if they introduced them all then there will be 50 additional seats right off the bat and no one filling them. Wilson stated it looks like they are doing six months apart on them and trying to get the seats filled. Johnson asked about in-kind marketing from Absolutely Aberdeen, if television is their entire focus. Kaiser stated we want to do mixed media. He is not sure if we have any funding for newspaper or not. We'll see if Julie has some dollars put away. Johnson stated the only other time that it came up in a conversation that he was involved with television was only a piece of it. Kaiser stated we have radio, television, newspaper and Julie had mentioned in an email some signage. Mitch Aman asked if we have looked at the idea of internet like Facebook, Priceline.com or Delta's website. Johnson stated Facebook is really specific. According to stats that he had read in the paper, there are 10,000 accounts in this area. John Aman added we also have to get our travel agencies to focus on Aberdeen and not farming it out to Sioux Falls, Fargo, Sioux City, or Omaha as their first point in looking. Johnson stated Sioux Falls also went through their dilemma the last six months because of Omaha. Wilson stated Frontier might change this now. We might see lower tickets from Delta out of Sioux Falls which will lower our ticket prices too with Frontier going in Sioux Falls April 1st. Frontier was enticed with some City funding. Aman stated Mayor Huether committed a quarter of a million for an incentive package; reduced fees and so on. Kaiser stated one can say we are throwing money to the wind, but how would we look if we don't try. Kaiser thinks this is equally bad so that is why he decided to see if he can be behind it and expand a little bit from what Wilson had in mind. We have to try. Johnson stated as long as they coordinate their message. Kaiser stated this is one of the most important things, that all the media work together. Wilson stated we are not going to be able to guarantee ticket prices. All we can do is

push the convenience of flying out of Aberdeen and what the Airport here has going for it. Kaiser stated we did get the concession from Delta that they are reducing prices in Aberdeen. Wilson stated he has this on his radio ad. As far as points specific Wilson talked to Pierre, Great Lakes will do this, but Delta will not. Great Lakes did this in Brookings too, but this is part of the contract with Essential Air Service, they have to give so many tickets at a certain price. Delta may do this in other places, but what we do not see is the city contributing. Pierre is also running radio ads. They have done a big push and now they are back to \$100 per month on their ads. They are also running television ads. The Manager in Pierre feels that the radio ads are doing better than the television ads. Their television ad runs them about \$1,000 per month. They have done a big push and now they are back to smaller marketing and had seen an increase from this.

New Business:

Item #7 - February Bills - Johnson moved approval of the bills for the month of February, seconded by Kaiser. The Cole Paper bill is our supply for the year. The Vosika bill is for a gate that was hit by a car and the other is for Quest that is just plain wore out. For the gate that was hit we will receive restitution. Riggerberg bill we will pay as the work was done as per the spec. **MOTION CARRIED** to pay the bills for month.

Item #8 – Financial Report – Kaiser moved approval of the financial report for the month of February, seconded by Johnson. **MOTION CARRIED.**

Item #9 – Extension of Lease #7 – Wilson stated Quest Aviation leases the City Hangar and in their lease there is an option for two additional 5 year terms. This would be the first additional 5 year term. Johnson asked is there any other contingent term in the first 5 year extension; is there any other adjustment other than the term. The rate will stay the same as Quest made improvements in the City hangar, the amendment was made in July of 2007. Johnson moved approval of the first lease extension for Lease #7, Quest Aviation, seconded by Kaiser. **MOTION CARRIED.**

Item #10 – Airport Manager’s Report:

10a: 2011 SD Aeronautics Conference – Wilson reported the Aeronautics Conference this year is in Watertown scheduled for March 30th and 31st. On the 29th staff will have a meeting with hopefully FAA if their funding is approved to travel, otherwise it will be with the State Aeronautics Commission and the employees from the State. Our consultant will go over the projects on the Airport that are coming up and what is available for funding. If any of the Board is interested in attending the conference to let us know.

10b: Cub Scouts are coming out for a tour of the Airport on Monday at 5:00p. We will tour the terminal building, SRE Building and the ARFF Station. If any of the FBO’s wants to do a tour to let Wilson know. Braun from Quest stated to bring the scouts over.

10c: Sterile Area Soda Machine – Wilson reported there was a soda machine that was added in the sterile area. Wiring the electrical is about \$108. The product was updated today, so people have better product. It has been getting quite a bit of use, so hopefully we see some increase on sale in vending. Chairman Erickson asked if they can take this on the plane with them. Wilsons stated yes. When the person comes to fill the machine, they have to run it through the X-ray machine and they are subject to inspection. They do this when TSA is not screening passengers. Wilson added he thinks this is one of the conveniences that people like and hopefully will help with the comfort level too.

10d: Environmental Assessment Update - Wilson reported he reviewed the EA a couple of times with Muntean and it had been sent to the FAA Regional Office in Chicago. It’s never firm, but we have a 45 day commitment from them. Hopefully, we can get it back within the 45 days, so we can start getting ready to get this out to the public and have them review it. Ron Erickson from Jobee Acres asked where we are at, what did we propose to FAA as far as the EA. What had happen the last few months? They haven’t heard any changes or update. Wilson stated he went through it and made formatting changes. None of the information has actually changed with it. On their reviews they are really particular about how they want different things formatted and the readability of the documents. Once they are reviewed, we will have more changes to make to it and then we can put it out to the public for public review. This will be a 45 day review with the meeting where we will take comments as to the accuracy of the EA or they can also put them in writing. Bob Gruman from Jobee Acres asked will they be able to have access to this once it is available. Wilson stated yes. We will have a copy in the library, City Hall, Airport and the City website. Once it is final a PDF copy will be available.

10e: Dew Bridge – Comm. Wiese asked what is the status of the Dew Bridge. Wilson stated it is repaired. They had a lot of issues with getting the part from the company. Wilson had talked to King on having somebody look at the parts to see if we can get it manufactured locally so we do not have it down so long. The bridge was down for about a month. We were calling every other day trying to get the status on it and when they shipped it they did not have the bearing set for it which they had on hand. Wilson wants to see what the cost would be and if it is not too much have a back up on hand. Wilson believes that this had happened twice for this part and does not want to be down again for another month. King stated we are having a spare made which he just got done yesterday by North Wind Machine.

Item #11 – Other Items:

11a: Open Board position – Wilson referred to the minutes from last month which stated he will take care of it, but it will take a few months. Wilson would like to get more comfortable in the position and get to know everything before we make the appointment. Chairman Erickson asked for future board vacancies, does the letter of reference go to the Mayor's Office or Lander, City Manager's Office? Lander stated it goes through his office for the Airport Board. It's one of the few Boards that Lander has to make the recommendations versus the Mayor. Lander will probably bring this to the Council also, so it follows a similar pattern as to other appointments. If anyone is interested in serving on the Board this will be the first step, send a letter to Lander's office. Lander stated he thinks there are four applicants now and somewhat dated. When Wilson feels comfortable, we would probably have to call to see if they are still interested. Johnson asked is there a procedure that this Board reviews it at all before Lander's appointment. Lander stated the way the Board is set up is through the recommendation of the City Manager not the City Council. Braun asked what the restrictions to be on the Board. Wilson stated it is in an Ordinance on the City website. Lander stated he would not call these restrictions. It might be some qualifications as to what part of the Board has to be from municipality.

11b: Jet Service – Johnson stated the conversations we had last summer with Delta was they thought that maybe 2 to 3 years that they will be scaling back their fleet of SAAB 340's. Obviously they are in a much quicker agenda unless of course maybe they see us a growth market. Did they indicate that the 340's are going somewhere else for service, retired or growth market? Wilson stated from speaking with the Station Manager they are keeping them at places like Watertown, but they are retiring a lot of them.

11c: Flood Problem – Kaiser asked did we have any problems with flooding last year that we have to address. King stated nothing that affected the runways and taxiways. We just have our low laying areas like the rest of the county. The buildings, runways or taxiways were not affected. Kaiser stated he interviewed Jim Scarlet with the Weather Service for the Progress Report that is coming up; and Scarlet had stated that 98.5% chance that the Jim River is going to flood, 40% for the Elm. Kaiser added it will also depend a lot on what happens with the melt off.

No items were introduced for future discussion.

Kaiser moved to adjourn, seconded by Johnson. The meeting adjourned at 12:07pm.