

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**  
**Regular Meeting**  
**July 7, 2011**

**MEMBERS PRESENT:** Mike Erickson, Rolf Johnson, Steve Kaiser, Nate Zeeb, Dr. Kennon Broadhurst

**MEMBERS ABSENT:**

**OTHERS PRESENT:** Mike Wilson, Sam Muntean, John Aman, Kevin Braun, Darrell Hillestad, Comm. Mike Wiese, Jeff Williams, Julie Johnson, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:32 am on Thursday, July 7, 2011.

**Item #2** – The Board term is as follows: Zeeb term expires June 2012, Johnson 2013, Kaiser 2014, Erickson 2015, and Broadhurst 2016. Kaiser moved to keep the same positions as it is, seconded by Johnson. Erickson as Chairman, Johnson as Vice Chair and Kaiser as Secretary. **MOTION CARRIED.**

**Item #3** – Broadhurst moved approval of the minutes from the June 9, 2011 meeting, seconded by Zeeb. **MOTION CARRIED.**

**Item #4** – Adoption of the July 7<sup>th</sup> agenda, moved by Broadhurst, seconded by Zeeb. **MOTION CARRIED**

**Item #5** – The next meeting is scheduled for August 4, 2011.

**Old Business:**

**Antonides WL contract** – Broadhurst stated as he recalls when he was on the Board before we were required to have an annual Wildlife report which the Board approved. If the FAA does not require this it's fine, but if they do who's going to do this report. Wilson stated the FAA does not require an annual WL report. We have to put together a record of wildlife actions and our Certification Inspector looks at this every year. We also have to list everything and send it to State GF&P for getting our permits renewed.

**New Business:**

**Item #6 – Bills** – Zeeb moved approval of the bills for the month, seconded by Kaiser. Broadhurst has questions on a few items. One is the B&B for 292' 8" watermain. This is for our portion for the watermain that runs under Hangar 9 that B&B relocated last year. This is our portion of the bill which goes from Hangar 9 to the De-Icing Truck Storage Shed. The DSG bill for the bearing assembly is for our heating system. The bearings are going out and they need to be replaced before winter. The staff has never done this work before as they are balanced and timed, so right now we are getting three quotes for installation. The G&R Controls bill is for something that was done that is not covered under the contract. As for the AOPA bill, what do we get out of this membership? Wilson stated we get different updates from them and supporting Aviation. For SD Pilots Association, Wilson is a member of this also. This one is useful as they come out with their monthly meetings and they do discuss airports. **MOTION CARRIED** to pay the bills for the month of June.

**Item #7 – Financial Report** – Kaiser moved approval of the financial report for the month of June, seconded by Zeeb. Broadhurst asked about the negative balance of Schumacher. This is an overpayment for his land rent and will balance out in September when the second billing comes out. Schumacher did not want a refund. As for SouthTrend Realty, Wilson stated they rent a space in the old maintenance for the airfone. As for Delta the balance is for April and May. **MOTION CARRIED** approving the financial report for June.

**Item #8 Upper Plains Contracting, AIP Proj. #3-46-0001-30-2010:**

**Pay request for GA Apron Expansion materials and work completed to date PE #4 in the amount of \$440,551.56** – Broadhurst moved approval for payment, seconded by Johnson. Wilson stated this bill has the concrete for the project. Muntean added the project is 90% plus complete. Sawing, sealing, seeding, marking and clean-up are what's left to do. Johnson asked about retainage and how long do we hold this. Muntean stated we hold 10% retainage and this is held until they are at least 90% complete and making good progress and then it can be reduced to 2 times of the amount of work remaining, if approved by the owner. Otherwise until the end of the project and the final inspection has been completed and all the punchlist items had been taken care of. Chairman Erickson asked when is the completion date of the project? Muntean stated it is July 31<sup>st</sup>. Wilson asked if there is an update of when the haul road is going to be removed. Muntean stated they were talking next week depending on when it dries up and they can do the final top soiling. Hillestad asked is there a reason why we can't take the barricades down. Muntean stated they are still sawing and sealing and creating debris. Once they are done with sawing and sealing and swept then the barricades can be removed. **MOTION CARRIED** to pay PE #4 to UPCI.

**Item #9 – Helms and Associates:**

**9a: AIP Proj. #3-46-0001-30-2010, GA Apron Expansion: Pay request for Construction Administration and Engineering Service PE #6 in the amount of \$32,220.47** – Johnson moved approval for payment, seconded by Zeeb. **MOTION CARRIED.**

**9b: AIP Proj. #3-46-0001-31-2011, Ag Sprayer Taxiway: Pay request for Design Services PE #1 in the amount of \$13,788.49** – Johnson moved approval for payment, seconded by Broadhurst. Wilson stated this is for the new Ag Sprayer Taxiway. Helms and Associates has the contract and they have been working on the design and getting the ALP updates into the FAA and getting it ready to be bid. We did receive notice last week that we will have funds available this year to start some of the work. Muntean stated hopefully they will be asking for authorization to advertise before the next meeting. Johnson asked if there is a change in Federal Budget term for Airport funds. Wilson stated we are on continuing resolution number 20 right now for FAA reauthorization. We are only authorized to spend 80% so far this year which is \$800,000, but some of this is already spent on the apron area and the access road. We will use the remaining funds for this project and once we get our remaining \$200,000 we can apply this toward the Ag Taxiway project. Braun from Quest asked if this is to put the Ag Sprayers by the terminal. Wilson stated yes. Braun asked if this is going to be done correctly as it seems like the sprayers had been moved around the Airport numerous times. Is this the final project for the Ag Sprayers? Wilson stated he would think so as we are putting a taxiway and providing enough room for everybody and providing them a closer access. Johnson added and it takes them off the direct access to the runway. Chairman Erickson stated they come at different times; they do not come all at once. Wilson stated there will be room for three Ag Sprayers and can add additional in the future probably two on the other side of the taxiway without putting more asphalt down. Wilson thinks we can extend the taxiway if needed. Hillestad asked what if a freight company comes in where are we going to put this. Wilson stated we have room for 1,000' of asphalt on the side of the terminal building. Aman added he thinks our ALP shows between Hangar 9 and the terminal can also be used for freight office. Muntean stated yes it could be used for Air Cargo depending on the size of the company and the operation. Wilson stated we had two spots, where we could have put the Ag Sprayers. One is by Allen Beckler's house or the spot that we are working on now. We feel that we are maximizing our space by going this route. Muntean added the area that we are using for the Ag Sprayer was not on the ALP as an area being developed anytime in the future. Wilson stated one of our big savings also is the abandoned road that is deteriorating. The County portion is really bad this year too. We can save a lot of wear and tear on this road by moving them and have less to maintain. Chairman Erickson asked if Muntean has an estimated cost for this project. Muntean thought the estimate was \$750,000. **MOTION CARRIED** to pay PE #1.

**Item #10 - Airport Manager's Report:**

**10a: Commercial Lawn Mower Purchase** – The Board received a copy of the three quotes for the lawn mower. Wilson stated the low quote was also the one with the highest trade-in. The mower that we are getting is for \$16,105.13 which has 30+HP, Diesel and 4WD. We could not afford to get the full cab this year so we went with canopy and beacon and air suspension seat. This is pretty much the items we used to get the quotes for it. Broadhurst asked how much more would a cab cost. Wilson thought it was about \$6,000 so we did not go with it. Johnson asked how does the Council give Wilson the authority to trade versus create surplus. Wilson stated we had to surplus it and then trade it in. Johnson asked is there a guideline as to what point it becomes part of the City Auction property. Comm. Wiese stated it is basically a judgment call. Make a judgment call as to whether or not you think you can get more in an open auction or doing a trade. Wilson feels that this was a really good trade-in price. Zeeb asked if this new mower will save us some time also. Wilson stated it's bigger, faster, and has larger tires. Our current one we have to back up and go sideways up curbs because the deck does not raise. The new one has four wheels in the back and the deck has two and hydraulic lifted. It also has a hydraulic weight transfer system and 4 wheel drive.

**10b: FAA payment of \$30,000** – Wilson stated we did make our payment to the FAA for \$30,000 for the reimbursable agreement for looking at moving our NAVAIDS.

**10c: 2011 AIP Funding** – We had touched on this earlier. We are receiving \$800,000 and who knows when we will get the rest, if it will be this year or if it will carry over to next.

**10d: Mechanic position open** - Wilson stated we have a position open. Our mechanic left the Airport and went to the Street Department. Johnson asked if Wilson is talking about Thone. Wilson stated yes. We increased the wage by two grades and still are having issues receiving applicants. Johnson stated they just voted to increase him two months ago. Wilson stated we were putting a proposal in the budget to increase it by one grade. They met and the City Manager and HR decided that rather than posting it at a grade 11, we really do need a mechanic. Before it was a Maintenance Worker so we relisted it as a Mechanic position and they put it into a comparable grade of what other departments have for mechanics. Broadhurst asked what the pay is. Wilson stated it's \$16.14. Hillestad asked if Thone made more money by going to sweep streets. Wilson stated he went up one grade for Heavy Equipment operator. When his position opened, it was a lot easier to increase the pay as it is an open position rather than increasing the pay for a certain individual; which isn't great, but we did get an increase and hopefully we can get a quality mechanic back in. Johnson stated it's sad as he had a lot of abilities and it will not be easy to replace that not for

\$16.00. Wilson stated he met with Thone and discussed it. Thone had a lot of reasons of wanting to go. Braun stated as an operator at the Airport, it appears to be a large amount of turnover in the last 3 to 5 years of quality people; off course we are just discussing Thone. Braun's input into this as they had found out in the years past is that summer time isn't so bad, but we are not that far away, unfortunately, from getting into the snow season. It appears every time we get new staff, it takes a year or two for them to understand the snow removal process and the public and the operators all suffer. The training time and expense of it and the City alone with the turnover and the expense of this is quite alarming. Braun does not know why people are leaving, but maybe a study should be done to see if this can be addressed. Johnson stated there's no give back for employees to switch departments. They do not jeopardize anything. Wilson stated no. Johnson stated so as far as they are concerned they are not leaving anything on the table. Wilson stated no. Wilson added that he and Thone had talked. One of the things that is a big push for Thone was the night time position. If he wants to re-apply out here, he can but since he just took another position in another department, Wilson does not think he will. Thone did have his reasons even with the increase in pay. Johnson asked does Thone know about the new pay grade. Wilson stated he told Thone about it when Wilson got the change through. Obviously, Thone was disappointed. Hillestad asked one of his reasons would not happen to been the guy that drives around in the red pickup. Wilson stated he did not mention this. Zeeb stated there are things that we can't or we do not need to know or can't ask for specific employees situations, but generally when somebody leaves or transfers do we do an exit interview. Wilson stated he did do an exit interview, there is some training that Thone wanted and Wilson had offered it, but we are not paying for classes that are offered after working hours. We are not paying overtime for someone to go to school. They are getting the benefit of the education. Wilson thinks this is one of the issues and he did interview and they talked about a lot of things. Johnson stated Wilson and King probably know a lot on how to tweak the budget to make it more efficient because we have some outside suppliers doing a lot of mechanical work for us prior to Thone so we have to keep this in mind to balance 2011 and 2012 budgets. Wilson stated Thone caught us up pretty well and we did have some staff working with him to get more mechanical experience. We should be sitting okay for now and it just depends how long it goes. We do have maintenance on the fire trucks that needs to happen. Hillestad stated he agrees with Braun. Our turnover is a lot and in the winter time they can't suffer that way. We just can't lose that consistency.

#### **OTHER:**

Kaiser asked for an update on the call with Delta as downtown has not been thrilled with the withdrawal of the flight. Wilson stated he had sent an email on this. Delta is going to 2:00pm or 2:30pm arrival with 3:00pm departure. They had looked at the load factor breakdown by flight time and what the percentages were. Mostly, the morning was the highest one out. The highest one coming in was the one that comes in the late afternoon or the one at night. These two are pretty close to each other. They were willing to work with us. They said they would change it, so that we are getting a time that will fit us best. Wilson does not see one that will fit any better than merging the two, the 1:00pm arrival and the 4:00pm arrival. Wilson does not see a better way to capture the passengers. Delta had given us quite a bit of data. They would not discuss what will happen at the other airports when the SAAB goes away, but they did say they are retiring the SAAB fleet by the end of the year. Wilson does not know what will happen with Watertown, Jamestown and other airports that are using just the SAAB's right now. During the hunting season Delta will add flights for the first two weeks, October 13<sup>th</sup> through 27<sup>th</sup>. Then every Thursday and Sunday they will add additional flights. They are working with us this year on our hunting season. Last year they did not realize that we had as many passengers at hunting season. Wilson stated we are up 29% in the month of June and so far this year we are up 24% over last year. We had over two thousand passengers for the month of June. Kaiser stated one thing that drives our numbers is price and we did get a commitment from Delta to put us in line with what they are charging in Sioux Falls. Kaiser asked is there a way for us to measure this. Wilson stated it goes by what class of seats that is available. It's \$20 per class of seats. So if we have fewer seats available on a plane than the one in Sioux Falls then our price is going to be higher because Delta has six different classes of seats that they give out to people. There is no way for us to measure this. You can go online and see that our ticket prices are lower than they have been. Kaiser stated there had been some criticism of our staff and the Board for not reacting differently to the change that is coming, that more should have been done. Wilson stated he'll take the criticism. We have 100 seats now compared to 96 seats in October or after the change we will have 100 seats. Kaiser stated he does not think it's the number of seats nor the aircraft. The biggest complaint is losing the three flights a day compared to two. It makes it less of a place that people are going to fly out of rather than driving elsewhere to meet schedule. Wilson stated we are not one to change Delta's mind and Wilson is fine with this. Zeeb asked if Watertown and Jamestown do lose their flights, do we have a plan in place to market our Airport. Johnson stated they talked about it. One of the thoughts on this is that we did not want to prey on them. It was reported that both Watertown and Jamestown are EAS and Watertown runs out in November. The Chamber is already putting the radio ad in Jamestown and we are also going to get a billboard in this area at some point. Watertown being in SD, Wilson does not want to do any marketing here. The Chamber had said that majority of our people that come into town come from the North from Jamestown area. Johnson asked if you lose a commercial airline on your airport and it's the only one you have, what happen to the AIP dollar for that airport. Wilson stated if they go over 10,000 passengers they will be at a million, so it would impact them. Watertown gets \$150,000. For Aberdeen, if we lose our commercial service we will drop down to \$150,000. Pierre could be impacted because they have 13,000 enplanements, but part of this is Great Lakes passengers.

**No items were introduced for future discussion.**

Johnson moved to adjourn, seconded by Dr. Broadhurst. The meeting adjourned at 12:24pm.