

MINUTES
ABERDEEN REGIONAL AIRPORT BOARD
Regular Meeting
August 4, 2011

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

MEMBERS ABSENT: Nate Zeeb

OTHERS PRESENT: Mike Wilson, Bob King, John Aman, Kevin Braun, Jeff Williams, Comm. Mike Wiese, Sam Muntean, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:36 am on Thursday, August 4, 2011.

Item #2 – Broadhurst moved approval of the minutes from the July 7, 2011 meeting, seconded by Kaiser. **MOTION CARRIED.**

Item #3 – Adoption of the August 4th agenda, moved by Broadhurst, seconded by Johnson. **MOTION CARRIED.**

Item #4 – The next meeting is scheduled for September 8, 2011.

Old Business:

Item #5 - Airport Marketing – Wilson stated there is an ad that we are doing that will be at the Brown County Fair. A copy of the ad was distributed to the Board. This is going to hit about 235,000 people and we are getting it out this afternoon. One thing the Board will notice is that we have a different logo as to what we had in the past. Johnson asked how we are doing this. Wilson stated the Chamber is helping us with it and it's going out to Brown County Fair. It will be a print product. The check ABR first is what they are thinking they can use for websites. A lot of people do not understand what ABR means; this is our airport identifier when people are booking flights. Wilson added they are also working on a billboard to go up 7 miles outside of Jamestown. They are planning to have this after August 15th. Kaiser asked what will this cost. Wilson stated the flyers the City Manager and the Chamber are paying for. Wilson added he also interviewed with the Progress Report. Kaiser stated this will be out Saturday night at 10:30pm, KSFY. USA Today called Wilson and interviewed him on the impact of "if we are to lose Air Service" and this will be out sometime next week. Kaiser stated one of the goals that he really would like to see accomplished is to get a billboard on Airport property someplace to put up something like the flyer. Kaiser and Johnson (Julie) had talked about this. Kaiser's feeling was one thing we should advertise is the Delta discount. They claim they lowered fares in Aberdeen. The two marketing studies we had both showed our big hurdle is that people are looking for price. This is the reason they go elsewhere. Aman asked did anyone talk to the travel agents in town who automatically use Sioux Falls, Omaha or Fargo when people are calling in to book tickets and suggest to them to look at Aberdeen as the first choice. Wilson stated the Chamber is working on this. They will try to get the travel agents to donate a vacation give-away at the Fair. Johnson stated on the Airline Task Force some of the early committee meetings after it was formed the travel agents were invited in and Johnson thinks they did not show. Kaiser stated there was one that did. Johnson stated he thinks that they are getting the message and there had been telephone correspondence with them. Braun asked if there is another provider that we should be looking at besides Delta. Wilson stated he is happy with Delta's service, but not happy that they are putting us into an Air Service subsidy. Wilson stated he will research the idea on putting a billboard on property as this might give us navigational issues as the billboard will have to be higher than the fence and also the cost.

New Business:

Item #6 – Bills – Broadhurst moved approval to pay the bills for the month of July, seconded by Johnson. **MOTION CARRIED.**

Item #7 – Financial Report – Broadhurst moved approval of the July financial report, seconded by Kaiser. **MOTION CARRIED.**

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 #5 in the amount of \$53,799.15 – Broadhurst moved approval to pay PE #5, seconded by Kaiser. Broadhurst asked about the negative value to be installed. Muntean stated this means that more than the original estimated amount was installed. Broadhurst asked is this our fault or the contractors fault. Muntean stated it's nobody's fault. The contractor written on a unit price basis and the estimated quantity on the plan, but the actual as constructed quantities is what will be paid for at that unit price. The final quantity will vary over or less than. Broadhurst asked will the contract amount remain the same. Muntean stated there will be a final change order as some items overrun and underrun. Johnson stated typically what he had seen in the past is for fill for compaction issues. Muntean

stated on this one it's on base course and subbase course. Kaiser asked what impact the FAA shutdown will have on getting the reimbursement. Wilson stated we should get the money. They are still paying until the Federal government figures out that there is no oversight and they will stop the payment. The person that does the processing is out till Monday. Kaiser asked if the Federal government already paid the State for this. Wilson stated it's not necessarily that the State got paid for it. The State has access to it. **MOTION CARRIED** to pay UPCI PE #5.

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 #7 in the amount of \$7,282.17 – Broadhurst moved approval to pay PE #7, seconded by Kaiser. **MOTION CARRIED.**

9b: AIP Proj. #3-46-0001-31-2011, Ag Sprayer Taxiway: Pay request for Design Services PE #2 in the amount of \$9,192.33 – Kaiser asked how much is City cost on this project. Wilson stated it will be 2%. We do not have all the funding for this project. We have about \$350,000 and we are going to need about \$750,000 so some of it will be out of next year's entitlement and the remainder of this year if we ever get the FAA reauthorization done. They only gave us 80% of our entitlement so far this year. Broadhurst moved approval to pay PE #2, seconded by Johnson. **MOTION CARRIED.**

Item #10 – Approval of Lease Renewal:

Lease Renewal for Dr. Roger Werth Lease #38, Dr. Mark Harlow Lease #37 and Arlo Hanson Lease #24 - Wilson stated we do not have any of the leases in the packet. It will be the standard renewal for the lease. The City Attorney will complete the leases and the Board will approve the lease. It is up to the City Attorney to get the proper language in. Kaiser moved approval of the three lease renewal inclusive, seconded by Johnson. **MOTION CARRIED**. Broadhurst asked why they can't have it before we issue some blanket lease. Leases are contracts and Broadhurst gets concerned about contracts that they don't see or have. Broadhurst stated he is aware that they are all the same, but what if there are mistakes. Broadhurst does not want the City telling this Board that they drop the ball. The City had said this once to this Board and this is all it takes for Broadhurst to want to see everything that comes before this Board. Wilson stated the Board is approving that we are going to give somebody a lease from this point it's administrative. The City Attorney writes the lease and Wilson reviews it, then it goes to the City Council. Broadhurst asked why they are told that it's just the usual standard lease. Wilson stated because the City Attorney is writing the lease and then we go through it. This came from last time when changes on a document that the City Attorney already approved and we changed it afterwards. If this happens it is going to set leases back another month. Broadhurst stated this was a different situation. It was a first time lease and this is different than the standard leases. Chairman Erickson stated this is a good question. The Board usually sees the leases at some point. Broadhurst agrees that the Board had always seen the leases and then the Chair signs it and then it goes to the City to sign. Isn't this the way it's been done in the past. Chairman Erickson stated yes. Wilson agreed, but after talking to the City Attorney we are changing it to administrative, where Wilson will sign and City Attorney signs and then the City Council gives approval then the City Manager signs it. Kaiser stated so Wilson does not need the Board's approval. Wilson stated the Board is approving that Wilson is giving someone a lease. Kaiser stated he agrees with Broadhurst. If this Board is being asked what appears to be the approval of the lease, then it is right for the Board to see them. Wilson stated for example we approved the Ag Sprayer Taxiway. The Board is not going through the specs and approving all the specs for it, the engineers are. This is the City Attorney putting together a legal document. Kaiser stated there is no reason for the Board not to see the lease. Wilson stated there is if we are changing contents of the lease that the City Attorney already approved and does not like the changes. Broadhurst stated why bring this to the Board at all. Just go on and let the City handle it the way they want to. Don't ask the Board to approve a lease that they don't even get to see. If Wilson wants the Board to approve for him to sign what the City Attorney says this is different. Johnson stated if we start it 30 days earlier it would not be a problem. Wilson stated we could for new leases, but we will also push the lease back 30 days then. Chairman Erickson stated here's what could happen on any of these leases. One of our staff runs into one of the hangars with a lawn mower or a snow plow, the Board is the first place they are going to complain to. If the City is going to do the leases then send the complaints downtown as this Board has nothing to do with the lease. Broadhurst stated the other thing is that there will be people that would take these leases and would strike portions of it through as he can remember an incident. So if one would say whatever Wilson and the other person agrees to it, what the Board agrees to is not exactly right. Broadhurst stated he is not standing in the way of the renewal of these three leases, but in the future it would be easier for the Board to see the leases like they have in the past. Chairman Erickson stated Wilson already stated the lease is administrative. Broadhurst stated then they take on the whole thing and should do the leases and this Board does not need to have it as an agenda item. Wilson shared the leases with the Board which is a standard five year renewal for the lease and the rate has been updated.

Item #11 Receive and Place on file 2010 PFC Audit Report – Moved by Broadhurst, seconded by Johnson. **MOTION CARRIED**.

Item #12 - Airport Manager's Report:

12a: 2011 FAA Inspection – Wilson stated we had our annual certification inspection. We have two Letters of Correction (LOC). One was the old runway marking was visible on the crosswind runway. They had been blacked out twice in the past and are not working. The FAA is not allowing any markings to be painted over or blacked out anymore. We have to completely

remove them by some means. We will try water blasting. King had been water blasting some paint on the taxiways, but not on the runway markings yet. This has to be corrected by next year. We may try to get this under a grant next year. Usually when we get a LOC we are able to put this under a grant and have them completed at 98%. Johnson suggested grinding them off. Wilson stated this is an option, but it is a porous friction course so we don't want to take off too much of it either. Our plan is to talk to Schauer at the ADO (Airport District Office) and see what he thinks we can do as he has been in compliance and engineering for the last couple of years. Aman asked is it possible to use a soda blaster and hit it with soda ash versus like sand blasting. Wilson stated possibly, but we want to talk to FAA before we ruin it as it has that specialized rubber tar also. We were also written up for not training the FAA tech operation people and Helms and Associates on Pedestrian and Ground Vehicles. This is for anyone who goes in the safety areas and are out driving on the taxiways and runways. This has to be specific to our Airport, so it can't be training from other airports. We have been written up for this and have been correcting it. We also received a LOI (Letter of Investigation) for Fire Fighting training. Their requirement is that every 12 consecutive calendar months they have to be trained on 11 subject areas. They do an all-encompassing 16 hour training every year where they bring in a trainer. They were trained in August of 2009 and then September of 2010. They had lapsed by a month. They went back through their records and checked. They do additional training throughout the year. They had to see with the additional training if they covered all 11 areas and did not lapse. We have 3 fire fighters that did lapse on aircraft evacuation and 1 on using structural tools for aircraft fire. We will most likely get another LOC to fix this problem. ARFF already corrected this, but we will have a write up for it. Wilson went over the Safety Recommendations which the Board received a copy of. Wilson stated we had a good inspector and she was extremely thorough and fair on everything. Chairman Erickson asked how many hours of training before a new employee can work on their own. King stated probably two weeks. Wilson stated there is 8 hours of wildlife training, driver's training is probably half a day, but we will do more on this. The other areas are Snow and Ice Control which is a couple of hours, Emergency Plan a couple of hours, Airport Familiarization and Self Inspection several hours. King stated we use to do this in phases as the job went on, but now we have to do it right away. Wilson stated this is his recommendation as he did not realize that we were not doing initial training. Chairman Erickson stated he was at the exit meeting and spoke highly of the staff. Braun, Quest Aviation stated Wilson talked about training for vehicles on the ramp. Braun noticed the other day that there was a contractor that was doing boring and had a couple of rigs and they would go up North of Aberdeen Flying Service to get maybe water and then come back on the South end, but they were right along the buildings and kind of weaving in and out of the aircraft. Who was monitoring this? King stated this was the Electric Company and they needed water. They had asked King once. Aman, Hangar 9 stated they could have hooked up at the hose bib in front of their hangar rather than driving all the way down. King stated he did not know about this and they had requested to do this once which King observed. Braun stated they did it three times. Braun added so King was monitoring their movement. King stated yes, once. King was not aware that they did this three times. Wilson stated on the Driver's training the FAA only requires us to train people on the movement areas. On the ramp we do not do Driver's training as it is not regulated by FAA right now. There might be some changes coming where we have to do the non-movement area training also. Wilson does not think it's a bad idea for us to start doing this. It's just going to take up a lot of our time every time a contractor comes in or we can make the FBO's escort their contractor every single time when they do work. Braun stated their concern was planes coming in and out. Chairman Erickson asked if there is a way the ARFF staff could get the spreadsheet we use to keep track of our training. Wilson stated he had given them the spreadsheet and they will start using this for tracking their training.

Staff Training – Wilson stated we are either going to send our staff to Sioux Falls or the Sioux Falls maintenance staff will come up here and train us on operation and maintenance of our Oshkosh. Thone operated the Oshkosh more than anyone else. Wilson already talked to the Sioux Falls Director about this.

Mechanic Position – Wilson stated we hired someone for the mechanic position. He's from the City Water Department and he has a lot of experience on pumps. We think he will be able to work on the fire trucks pretty efficiently. He does not have a formal mechanic training, but had started working at UPCI winter of 1999. He worked on their pay loaders and other larger equipment. He also had done mechanical work on vehicles too. Wilson thinks we will have a good employee. Johnson stated Wilson increased the pay grade as a mechanic, did we bring this guy in where Thone went out. Wilson stated this position is higher. A dollar higher than Thone was. The position was increased to Grade 13, it was Grade 11 before.

12b: Notice of Termination from Delta – Wilson did a Power Point presentation. Kaiser moved to support the City's objection to the Termination of air service, seconded by Broadhurst. **MOTION CARRIED**. Broadhurst asked if Delta received the subsidy by EAS they would end up charging for the empty seats or however it is done. Wilson stated with this subsidy Delta could say they want \$2m per year. They would break this out for how many flights they will provide. They would tell us they will provide 14 flights; 2 per day each day including the weekend. The DOT will break this down on how much it costs per flight. If the jet has 50 passengers on it, Delta will get their subsidy. If the jet has 2 passengers, they will get their subsidy. As long as they make the flight they get a certain amount and it is the same amount per flight. Broadhurst asked what about pricing. Wilson stated pricing is not in consideration with this unless the airline bids this as a way for us to select them. Great Lakes had done this at airports in the past. This is not a DOT requirement, it would just be in their proposal for our consideration; a reason that we would want to select somebody else. Comm. Wiese stated marketing and pricing will continue to do what they are doing pretty well independent whether or not they get an EAS subsidy or not. Wilson agreed and Delta had said that they already have us on jet service on the CRJ pricing structure so they are not expecting this to change. But, this is not to say that fuel prices would not drive a change either. Delta has told us that they do not want to leave here. Braun stated if he understand Wilson correctly, Wilson is pretty confident that we will remain having an airline service. Wilson stated we cannot lose an airline; we have to have it. Braun stated as input, this all ties into the hunting season and winter travel. Braun knows it's a lot of work, but

is there a way we can advertise in Brown County Fair. Wilson stated we are getting some banners put together and we will be advertising at the Fair. Northern State had said that we can use some space at their booth and there are some others. We are also trying to get the travel agents to go in on a vacation get away. Braun stated advertising at the Fair would be a good way to put the rumors to rest because the general public right now is very nervous about buying tickets in advance and might not be able to go. Wilson stated he had told the newspaper multiple times that the general public is not going to see a change. The only thing that is going to happen is that there will be a subsidy tied to it. Nobody is going to see a difference. During the Hunting season, Delta is providing us three CRJ's. Wilson added that he will be doing a radio interview on Dakota Broadcasting. Wilson had already done two interviews with Hub City radio right after it was put out that we are losing air service.

12c: Advertisement for Bids – Ag Sprayer Taxiway – Wilson stated the advertisement for bids hit the paper today for the Ag Sprayer Taxiway. August 31st is the bid opening date. This gives us until September 30th to accept the bid. We are hoping that the FAA will have a continuing resolution by this time. Right now Congress is on recess until the first week of September. There are rumors that they might get something done on a pro-forma during the recess, but it is not likely. Both sides are not moving. So far the FAA has lost about \$350m in taxing authority. For funding it looks like we will get reimbursement as long as it goes through quickly, but not sure how long this will go on.

OTHER:

No items were introduced for future discussion.

Broadhurst moved to adjourn. The meeting adjourned at 1:16pm.