

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**

**Regular Meeting**

**February 4, 2010**

**MEMBERS PRESENT:** Mike Erickson, Chuck Bensen, Steve Kaiser, Rolf Johnson

**MEMBERS ABSENT:** Nate Zeeb

**OTHERS PRESENT:** Dave Osborn, Bob King, Kevin Braun, John Aman, Sam Muntean, Gary Dahlerup,  
Comm. Mike Wiese, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:35am on Thursday February 4, 2010.

Bensen moved approval of the minutes from January 7, 2010 meeting, seconded by Kaiser. Motion carried.

Old Business: (Signs) Osborn stated the signs are now complete and the additional signs for general and passenger destinations are located at the base of each sign. The Delta sign is also inside the signage and had been sent to Delta so they can see it also. Kaiser stated it is a vast improvement of what we had and added that one of the things that people brought up to him who had seen it is that you can't see it at night. Osborn stated when we bid it out; it was to be reflective tape. Osborn will go back and check.

Johnson moved approval of the bills for the month of January, seconded by Kaiser. Motion carried.

Bensen moved approval of the January financial report, seconded by Kaiser. Motion carried.

Osborn shared the logo the marketing group is looking at using in the campaign. The people in the committee are people from the CVB, the Chamber, Julie Johnson, Steve Kaiser, Osborn and Joellen Linder. One of the things they are looking at is there is a sign up by the interstate that is open. There are some marketing dollars that they can use through Absolutely Aberdeen. They are looking at putting up the logo that follows the "Life is Good in Aberdeen" theme. If the Board have some opinion and want to see something different their opinion will certainly count. Kaiser asked if they are talking about using half of the billboard for "Fly Aberdeen" or using the whole thing. Osborn stated the last it was talked about is just using "Fly Aberdeen". Kaiser stated this does not work very well on a billboard. Osborn stated that is why he liked a different logo (an old pilot patches) as it makes it more visual. A lot of the people in the committee are trying to keep it tied to "Life is Good in Aberdeen" concept. Kaiser asked if anyone had talked to Delta if they would coop in this campaign. Osborn stated in the communication they had with Delta, the group had asked specifically about cooperative dollars. Delta had said they will assist with their marketing people, but do not do financial assistance. Kaiser asked are we asking the right people and thought that it will be worth asking. Osborn stated we could ask Mary Walsh once we make conversation as he did get a list of names for contacts. Another thing is that Osborn met with Bauer, Station Manager yesterday and talked about things for the Airport. With the changes they made in the front lobby, the information board they have is quite old. Osborn had made a request if they would put a passenger electronic board to show the status of flight rather than the old slide in board. From this when the City make their changes, if Delta has an electronic passenger information board up, maybe from this we can go ahead and do the data board electronically set it on our website. The second thing we asked for is to look at an additional check-in kiosk as we only have one. If one would look at the front area right before a flight there is usually a line and we are not moving passenger through as fast. Originally, Northwest was going to give us two at the old Terminal and but they didn't because we were moving; we only got one. Chairman Erickson asked about the colors on the "Fly Aberdeen" logo. Osborn stated it will be the same color red as the "Life is Good in Aberdeen". Chairman Erickson stated the other day when his flight was delayed; they were really poor on putting out the information of what is going on. If they would just come over the loud speaker and told everybody sitting out in the lobby what the status is, instead of everybody coming back to the counter and asking questions and they were getting perturb. Osborn stated at certain times he had talked to Bauer about announcements that can be made from here. In the past they had some really bad issue when they made announcements that such things will happen at such time and it doesn't happen and fifteen minutes later they're on that loud speaker again and so on. Actually when people come up and asked questions they do not mind answering questions a number of times.

Helms and Associates pay requests:

Bensen moved approval to pay PE #13 in the amount of \$5,433.07 for work completed on the Environmental Assessment (EA), seconded by Johnson. Muntean stated that they are trying to schedule with the FAA a meeting which looks like possibly it will be

on the 18<sup>th</sup> of February for Airport personnel and Helms to review the draft. This is the best way to keep this moving along since the Bismarck Office had said that they will probably will not have time to look at it until after the Airport Conference which is at the end of March, 1<sup>st</sup> of April and we had said that this is not going to work, so we had asked what can we do to speed it up. So, Muntean and Osborn will go to Bismarck and have a face to face review so we can all get through it at the same time and after this we will make any revisions that will need to be made and then we can turn the draft in which will go to the FAA legal department for their review. Motion approving to pay PE #13 is carried.

Bensen moved approval to pay PE #26 (Final) in the amount of \$5,644.70 for Construction Administration and Resident Engineering Services for AIP Project #3-46-0001-27-2007 Reconstruction of Taxiway 'D', seconded by Johnson. Muntean stated this is the Final pay estimate and the Financial Close-out will go to the Council on Monday for signature to be submitted to the State and FAA. Johnson stated the punch list items had been completed and retainage paid out. Osborn stated the only thing we have is a warranty issue and this is on the lights with the Electrician and should be starting soon. Chairman Erickson asked how we came in on this project. Muntean stated that we had under run this project. Osborn added we did not do all of Taxiway 'D'. We had cut the first 327'. Motion approving to pay PE #26 is carried.

Osborn stated Ramada has a similar board the Media USA wants to put at the Airport. They want to do a continuous or additional advertising here. Osborn wanted to bring to the Boards attention that there are people out there that are looking to do advertising that would like to be in the front lobby. Our advertising at this point in time is that we had filled everything on our board. Just recently we opened up a contract with the newest hotel in town. We do have advertising spots above the doors that have not been taken. At this point in time Osborn informed that Board that he is not interested on what Media USA is offering.

Osborn stated last October Braun from Quest started looking at doing car rental. Braun had continued to look at this as a possibility for business for Quest Aviation. Braun stated basically they would be able to offer car rental as people call in which is a service that they would provide, which they do not provide now. They have courtesy cars which they do not charge for. Johnson stated so Quest will not be doing a franchise, only using their own cars. Braun stated at this point, yes. Kaiser asked if the cars will be Quest's. Braun stated at this point, yes. Johnson asked if we have to amend Quest's FBO lease. Osborn stated at this point in time the only thing that would have to change is a separate car rental agreement like we did with agencies outside the Airport or with Caven, Aberdeen Flying Service. In addition, we had noticed from the last report we received from Caven that he had changed his name for his car rental agency which is now through ACE rather than Payless. Osborn does not know if Caven just recently changed this. As for franchise, according to our contract it does not require the FBO's or anyone to be a franchisee, but it does have fees. In talking to a couple of the car rental people here, they are a little worried now. Their business is down now and they are worried if we have another franchisee what happens. The agreement that we have with them has a clause in it. In the event that we are going to consider an additional franchisee or an additional person to do rental, they get a 90 day notice before they can start business so they can adjust their fleet or whatever they need to do. Chairman Erickson asked if Braun will have enough parking. Braun stated their fleet will be small. Osborn asked about fees for rental. How competitive will Quest be to the existing car rental we have? Braun stated he does not know what their fees will be. He does not know what the others charge. Bensen asked if most of Quest calls are from pilots that are stopping at the FBO. Braun stated yes, it's the corporate people. Bensen stated it's just like what Caven, Aberdeen Flying wanted it for. Kaiser asked how far down is the car rental. Is it pretty much the same as our passenger number decrease? Osborn stated last time he talked to Kulm, Hertz it is about 14% to 15%. Osborn asked if Braun had used Avis in the past. Braun stated they use what ever the customer wants. Kaiser asked in the past when Braun had worked with both car rentals do they bring the cars over to Quest or do they have to come to the terminal. Braun stated both do it differently. One will bring it over, the other you have to come to the terminal. Kaiser moved approval of Quest Aviation's request to offer car rental services, seconded by Johnson. Motion carried.

Braun stated on Hangar 10 which is at the end of Taxiway #3, they had a little bit of work done in conjunction with the Taxiway project. They cut off some asphalt and redid it so it is level to the new door that they had put on. They had experience quite a bit of heaving on the asphalt which pinned the door shut. They had to mill it down to get the door to operate. They rented a machine and provided the labor. The rental cost is \$424 which the Board received a copy of. Johnson asked did it affect anything else adversely, like drainage. How much was milled out? Braun stated a couple of inches. There are two things; the concrete taxiway which was replaced is in the center and from that there are wings that would go off to the side. The concrete has not moved, but the asphalt has. In talking with Muntean before Braun went with this, they had a conversation which product to put back down. And of course no one can predict the heaving. Johnson stated this must have happened right away. Did they have any heaving in this area with the prior taxilanes? Braun stated they had a different door so it never affected it. Osborn stated to keep in mind when we were doing this project, what happen is that we were doing all the concrete work. At the time we were doing the concrete work Braun was planning on putting a different door. The door was a roll up door and they went with a different door which swung out. One of the comments that was brought to us during that time was that the asphalt there was already ruptured cracked and had raised. So we went in and our suggestion was that we will go in and get him product at our cost, and that it is his product and items not ours. The concrete work is ours. We were assisting during the process. This is one do those things that we want to help the FBO's that are here, but Osborn does not know if we can take some responsibility here. Osborn looks at this as this is not our project, it is an association with it and it was kind of to help Braun because we had asphalt at our rate for the things that we were doing. The heaving, Osborn is worried as he remembers the comment by Muntean the reason the old asphalt was

there is because it was heaving and their wasn't any work that got done underground. Basically take the old asphalt out, put the new down. Osborn does not think that he can go back on the grant and asked to pay for this. It really is that we were assisting Braun outside our contract. Osborn stated after talking to Muntean there is no way we can assist as this is not our project per se. Muntean stated the question was what is eligible under FAA funded project and what is not. Basically, it is all the public use area so the taxiway itself was eligible for construction and anything that was affected by this construction we did. The 25' wide taxiway and then approximately 5' on both sides of it to tie back into the existing pavement was all eligible. But, when we were in front of Quest's hangar, since this hangar butts the end of the taxiway, the hangar door is 60', they had plus or minus 6' to 10' on both sides that were beyond the limits of construction. They had existing asphalt that was broken up and some of it was too high for the hydro swing door to function properly so they asked if we take this out and replace it with just asphalt. As Osborn had stated it did not go down the whole 39" like the taxiway itself was done. The asphalt was just replaced, measured up those areas and Quest just paid for what was outside the construction. Osborn stated Braun had asked if we can assist and that the Board is knowledgeable. We did review this and looked at the issues. Osborn just doesn't know of any way we can get in the grant to assist with this. Braun asked Muntean with the water underground they had put drain tile type of product, would this help this or not. Muntean stated it will help. The underdrain was put on both sides of pavement and this is to keep moisture out of the granular base course. The problem is that outside of the underdrain is clay material so the water does not move through it as quickly. Braun asked would this give them more heaving on the wings than the center. Muntean stated yes. They will give them more heaving outside the construction area than inside of it. They should get somewhat less where the drain tile is in than they would have gotten before it was in. How much of a measureable amount that is, it would be hard to quantify. If we get moisture in the fall before freeze up, it would be worst because this moisture will soaked into the ground and will not be able to get through before it freezes. Muntean added they often see in construction project that the first winter is the worst winter for heaving on new pavements. And this is not to say that it will not happen again. Aman asked because it was milled off and replaced during a construction project with all the rain, how much additional moisture was absorbed into it because it was open. This added a lot of moisture of what would have been a drier area. Osborn stated this may have been a possibility. One of the things with the cost would have been communication from the owner to Osborn to say that we may have a problem and let's work on it. This just happen and then Osborn received a bill afterwards. Osborn cannot justify to FAA the soil contents and it was after the fact it started moving. Before one does anything from now, Osborn suggested that he be informed so we have knowledge. Aman stated he was just asking as this hangar houses a lot of Quest's livelihood during the construction project everything was moved out. Even cracked asphalt will flow water away from the sub straight. Muntean stated the FAA would say that you are provided with a taxiway that runs right up to your door that was paid for completely with FAA or Airport dollars. Technically they should have stopped and made you connect from the taxiway up to your hangar because it is not public use all the way up to your hangar. The clearance up from the front of your building out to where the taxiway should have ended should technically be where it stopped. However, since the taxiway had been there, the hangar had been there previously then they would reconstruct what was already there. The reminder is that yes you were affected by this, but this project did not cost you for all the pavement that now you get to use that sits for your business. The other caution is to the Board. It is certainly up to the Board to make the decision that they are required by the FAA not to discriminate against anyone. If the Board is going to help a hangar owner at a certain circumstances, the Board then need to be fair and make sure that we help all hangar owners and give them benefits at all times. With that said Chairman Erickson stated we cannot help Braun with the expense at this point unless the other members have any other comment on it and asked if a motion is needed. Osborn stated a motion is not needed as he just brought this up as information for the Board. If the Board would like to request a payment they can certainly could, but it will not be using FAA funding. Osborn just wanted to make sure this was understood. The information that was given was based on FAA funding. Chairman Erickson stated that we should still keep an eye on this and see what it does if it gets any worse or moves anymore. Or if in the spring goes down as it might be something we need to address.

Osborn stated we started the agreement with G & R Controls in 2005 when we came into this building. Osborn had seen major improvements by continuing the contract. Basically some of the problems that we had in the vestibules, we have better controls on them. Our cost at this time beyond the maintenance is that if we have a unit that is out and the technician is here doing their change we do not get charge other than the product (motor, fan, etc). Johnson asked if they are the ones who also put glycol in the heat exchanger. It was stated no. G&R are the ones who do the sensors and controls that open up the vents. They check all the valves and the air controls. They can also check our system through the internet. Bensen asked what is the annual maintenance cost. Osborn stated it was \$1,236 in 2008. We do hourly for the SRE, but not for the Terminal building. Bensen moved approval of the continuance maintenance agreement with G&R Control, seconded by Kaiser. Motion carried.

Osborn stated the agenda for the Annual SD Airport Conference will be for Wednesday and Thursday. They will actually leave on Tuesday. Kaiser moved approval of Osborn and King travel to Deadwood for the annual SD Airport Conference, seconded by Bensen. Motion carried.

Osborn informed the Board that our original PFC date was to expire March 1<sup>st</sup>, 2010. We had asked for extension because of the number of passengers is not out there. We have a letter dated January 27<sup>th</sup> that it is approved to extend until November 2013. Chairman Erickson asked where we are on how much it is. Osborn stated we put in expenses for each project we pay on which is through project #24 the amount applied for is \$889,588 and the uncollected is about \$321, 000 short.

Osborn stated the Wildlife Hazard Working group meets once a year. The meeting was held back in the fall of the year. Osborn goes through the minutes with Antonides. Osborn presented the minutes of the yearly meeting which had been signed off by him. Osborn stated we need to place the minutes on file. Bensen moved to place on file the 2009 Wildlife Hazard Working Group minutes, seconded by Johnson. Motion carried.

Braun asked if we are aware of a couple of Bills, one in the Senate and one in the House to try to get into some of the Aviation funds. Osborn asked if Braun is asking Statewide as Muntean will probably know more information than Osborn. What we know is that the State Aeronautics Division this year is actually going to change the percentage because some of the legislators are trying to get into the Aviation funds. Rather than the State paying 2% on the project, starting this year it will go to 3%, the City's portion goes down to 2%. Aman stated there is another Bill that Governor Rounds is talking about shifting \$2m out of Aviation funds to supplement the budget which could hinder us and cost us additional funding as well. Osborn stated the intention is trying to take it out of the funds that are being discussed now. Muntean stated the Aeronautics Commission who is appointed by the Governor and that is one of the reasons why they up the percentage the State were going to do. Braun stated they were going to move \$1.5m to the general fund and another big chunk to home State mine. Muntean stated the State Aeronautics Commission is trying to battle this the best they can that is spend the money on airports which is what it is intended for in the first place. Osborn stated this is raised by fuel tax that is on the airports. Osborn thinks they can actually go back to that is not raised anywhere else in the State or any other State purposes as it is for Aviation use only. Osborn thinks that this is the way this Bill was written to protect this Trust Fund. Aman stated it is still worthy contacting legislators and voicing concern. Braun thought that it had been through the first reading. Aman stated yes. Osborn stated he does know that Bruce Lindholm from State Aeronautics is really concern that whenever they look at a pot of money that there is protection in those departments. A lot of time when those departments speak out about what is theirs, what it is there for and they already seen the change in the Aeronautics Division that they are to spend the money on airports that may back down. Osborn can't say that it'll be a 100%. They already encountered it and this is what they are working on. Chairman Erickson asked if we have the Bill number. Braun stated its House Bill #1083 and other is a Senate Bill. Aman stated this would be worthy to bring into the next Crackle Barrel session. Johnson stated this would be on Saturday at 10:00am at Jerde Hall.

Osborn distributed a copy of Wade Outka's request to put in natural gas to his hangar #12. This is just next to Quest. Outka is intending on having a line brought in, in the spring and asking the Board to approve this. In addition, Outka sent another email this morning stating that he would like to put a propane tank on the outside of the hangar for the rest of the winter until the line can be done. Outka evidently have some problem with his plane inside and had asked to get his hangar heated. Johnson asked if Outka is using an easement for this line. Osborn stated the line is already out there. Outka can connect to it; his note had stated that it is about 50' from the east of his hangar. They just have to make a connection to this and bring it on to his building. We had always asked the hangar owners that if they would do improvements to let us know, so we can try to make sure we have knowledge of it or record of it. Bensen asked what is our policy on the external propane tank. Osborn stated he does not know if there is a policy per se on external tanks. Kaiser asked if we have any others. King stated yes, Dr. Eckrich. Chairman Erickson stated they have to be so far from the building. Osborn stated there are requirements by State regulation. Bensen moved approval of Outka's both requests, to allow Outka to put propane tank until spring when he can run the gas line, seconded by Kaiser. Motion carried.

Kaiser stated our December number is down 26%. We had been running about 16%. Osborn stated 14% and to keep in mind that Christmas time we had a really bad storm and we lost a lot of those flights. So the numbers will be down; if you can't get a plane out or they were not sending anything out of Minneapolis. Kaiser asked how extensive are they doing passenger bumping. Apparently they are always overbooking and now with two flights have things gotten worst. Osborn stated he thinks around the Holiday time because of the cancellations there was a real mess in getting people back and forth. They are going to have bumping situation because of people trying to get home, people trying to get out for business, and they overbooked the planes. Keep in mind when we talked about this in the meeting with Delta, Osborn had been told that they normally schedule for 28 people in a 34 seats plane, people from Delta told us 30. Regardless 28 or 30, when we are looking 85% we have to be at 30 to make money. The numbers are not jiving. The information given to us is not as accurate as it can be. Johnson stated there is also an algorithm that they use to get to 85%. Kaiser stated this was explained in the conference call. Osborn stated the bumping of passengers off a flight; this is done differently by different airlines.

Osborn stated he has not seen this confirmed, but the Manager from Watertown called Osborn and informed him that starting April 6<sup>th</sup> they will have their own flight and not sharing with Pierre. The reason we lost out third flight we were told because of dollars. Up until yesterday Osborn was checking different flights and they are still scheduled with Pierre April 7<sup>th</sup> on and it doesn't show it different. Apparently Delta called the Watertown Manager directly and was told they are getting their own plane starting April 6<sup>th</sup>. Comm. Wiese stated he heard it announced today that Pierre is getting non-stop flight back and forth. Osborn stated Pierre made an announcement on Monday evening that they were non-stop which meant they do not have the stop in Watertown.

Kaiser asked if we can do a survey of prices to get a little better sense of where the prices are. We might be able to use this information in some of our marketing. Osborn stated one of the things in the marketing that is a priority is to look at getting Sixel to do our leakage study. We are looking at the fact that they are going to look at pricing structures from people when they leave Aberdeen, what is the reason and why; pricing being the number one thing. Is this the determining factor when they write the grant, if we can go to the Small Community Grant (SCG). Osborn added yesterday he wrote to the person who takes care of the SCG and they have not even address issuing the 2009 which was due in August. Osborn had asked if they have a date and if there are going to be funding in 2010. The short response was no, not yet and don't know. In the case there will not be a SCG, Osborn will ask about changing our emphasis from getting another letter to the Airline in the contract to look at the leakage study. Because the leakage study could give us fair market cost with the Airline.

The meeting adjourned at 1:00 pm.