

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**  
**Regular Meeting**  
**February 9, 2012**

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

**MEMBERS ABSENT:** Rolf Johnson, Nate Zeeb

**OTHERS PRESENT:** Mike Wilson, Bob King, Jeff Bahr, Dean Knie, John Aman, Gary Dahlerup,  
Sam Muntean, Kevin Braun, Comm. Mike Wiese, Jeff Mitchell, Rhea Ketterling

Chairman Erickson called the regular scheduled meeting of the Aberdeen Regional Airport Board to order at 11:32 am on Thursday, February 9, 2012.

**Item #2** – Kaiser moved approval of the minutes from the January 5, 2012 meeting, seconded by Broadhurst. **MOTION CARRIED.**

**Item #3** – Broadhurst moved approval of the minutes of the Special Meeting held on January 13, 2012, seconded by Kaiser. **MOTION CARRIED.**

**Item #4** – Broadhurst moved the adoption of the agenda, seconded by Kaiser. **MOTION CARRIED.**

**Item #5** – Next meeting is scheduled for Thursday, March 8<sup>th</sup>. Also a reminder of the Public Hearing for the Environmental Assessment on Thursday, February 16<sup>th</sup> 6:30pm at City Hall Council Chambers, 3<sup>rd</sup> Floor.

**Old Business:**

**Item #6 – Discussion and possible approval of Minimum Standards** – Wilson wanted the City Attorney to review the Minimum Standards as there were some indemnification and insurance requirements listed as Wilson thinks that these are more of lease items. The City Attorney had reviewed this and did not have any issues or concerns. Changes made to the Minimum Standards were emailed to the Board. Other than those changes, there were typographical errors. Broadhurst asked if the commercial operators got a chance to look at this. Wilson stated no they have not. Wilson did not change any requirements for commercial operators. Wilson pretty much left everything the same. It was just smaller changes throughout the entire document to clean it up. Kaiser asked if this needs to go to the Council. Wilson stated no. This is just for the Board's approval. Wilson stated he did talk to Braun from Quest about it and it is also posted online. Broadhurst stated the reason he is asking is that we have certain requirements for car dealers and rental cars. If they have not looked at this, it would be nice at least to know that they had a chance to look at it. Wilson stated these standards have been out there for 30 years at least. Broadhurst stated he realizes this, but Wilson is making changes/corrections. For instance, Broadhurst asked earlier if the Board would be able to see the changes made in this document and Broadhurst was assured he would. To tell him that Wilson had changed authority with airport is a minor thing, but he does not know where authority was or airport was. Wilson stated authority came from the Grand Forks Regional Airport Authority. When they copied the minimum standards from them, they forgot to change authority to airport. We do not have an airport authority. We are governed by the City. They had left authority in where this should not be in our Minimum Standards. Broadhurst stated Wilson referred to 1.06, C-2 and Broadhurst does not see this in his document on page 7. After reviewing the document sent to the Board page 3 is missing. **Broadhurst moved to table the item until next month's meeting, seconded by Kaiser. MOTION CARRIED.** Broadhurst stated on Section 2.07 change, Wilson referred to Aberdeen Regional Advisory Board. Broadhurst thinks that they should have one name and one name alone. We start putting Advisory Board, Airport Board and all kinds of Boards. They know they are an Advisory and have no authority to do anything. Why do we come up with a new name for this group? Wilson stated then we will call this Board, Aberdeen Regional Airport Board. Broadhurst asked about the Advisory Circular (AC) bulletin referenced, page 7, Section 2.01. Broadhurst thought that it's better to put the date of AC bulletin (August 28, 2006) which we are using in for this document instead of referring to current edition of the AC. Wilson stated that they change the dates on the AC when they update it. Broadhurst stated this is fine, but we are talking about what we are using for a document now. Wilson stated whatever the FAA puts out we have to follow. So if the FAA puts out a new Advisory Circular, we're not, not going to follow the current AC and go back to the one we approved with our Minimum Standards. Broadhurst stated when he and Wilson discussed this earlier, Wilson had said that this is only

an Advisory Circular; we do not have to abide by it. Wilson stated he never said this, as Advisory Circulars are mandatory for part 139 airports. Aman, Hangar 9, asked would it be beneficial to state the AC dated such date or any updates as provided by FAA. Wilson stated every other document we do at the Airport we just referenced "current edition" because they change so much. Wilson asked Muntean, Helms and Associates, how we referenced AC on the EA. Wilson added the EA is not a living document though. Muntean agreed that the EA is not a living document, but the FAA on their AC when they cite, they cite it as the current edition because when they update it they cancel the previous. They do not revise it; it supersedes. The current AC being referenced is 150/5190-7.

**Item #7 – Airport Board Ordinance** – Wilson stated the City Attorney was planning to be here, but another meeting had come up. Wilson read an email from the City Attorney stating that we need to consider any suggestions that the Airport Board has for changes. The City Attorney will then relay the changes to the City Council with his recommendation on the ordinance and the changes. There is certainly plenty of institutional knowledge on the Board and they are way more familiar with the Airport than he is. When the City Attorney wrote the ordinance, the subject area was outside of his expertise. He sees it as a starting point and is looking for guidance from the experts on the subject area. Know however that the ordinance generally sets up the Airport Board as advisory to the Council. The Board can review the ordinance and it can be put on the February 21<sup>st</sup> Council agenda. The Board does not have anything to approve. The ordinance is being revised on City Attorney's recommendations due to its ambiguity. Since the Board has experience with Airport matters, they should have a chance to have input on make-up powers and duties. Wilson stated after the council passes the ordinance, bylaws would come next. The bylaws are where we would go into more details on what exactly the duties are of the Board. There is no guarantee that the ordinance will pass in its current form. The Council could change the requirement and instruct the City Attorney to put the bylaws in ordinance form. Otherwise, per Section 8 the Board's bylaws are also subject to Council's approval, so the Board would create bylaws in the future, adopt them through Board action, then they will be approved or amended by the Council. Kaiser asked if the Board has bylaws now. Wilson stated he hasn't seen any. The proposed Ordinance states that not less than 3 members of the Airport Board shall be residents and electors of the City, 2 members may reside within 20 miles of the corporate limits of Aberdeen. The appointment is by the City Manager with consent of the City Council. The terms are 5 years and they are staggered, so one member per year will have to be reappointed. For Officers there is a change. There is only Chair and a Vice Chair. The purpose of the Secretary is to take minutes of the meeting and records and since we have a staff that does this we do not need a Secretary on the Board. Three members of the Board is a quorum. The Airport Board is advisory to the City Manager and Council on the matters concerning the City Airport and shall not have power to enter into contracts, sue or be sued, obligate resources or finance, or in any way incur liability on behalf of the City. We are subject to open meeting and open records laws. We have a liaison from the City and the County. Lastly, anything that has been done by the Airport Board in the past is not rescinded because of the new ordinance. Dahlerup, a local pilot, stated it used to be that one has to have their pilot license to be on the Board. Dahlerup does not see this in this ordinance. Does this mean this is still in effect? Wilson stated this will not be in effect. Wilson's concern is getting qualified people on the Board. If we have people with pilot licenses, it is a good thing to have. We will go through this and interview candidates. Dahlerup added right now the Board has at least 2 or 3 that has a pilot license. Kaiser stated he too thinks that it is a good thing to have certified pilots. Wilson stated 2 pilots on the Board would be good, but he worries that if we do not get applicants because we have this requirement then we can't get people on the Board. Wilson stated he will talk to the City Attorney about this. Dahlerup stated his objection to this is that he does not want this provision to disappear. Kaiser recommended that in the requirement we add 2 members of the Board be a pilot. Chairman Erickson stated he sees in the paper that Watertown is in the process of putting an Airport Board together. Are they following some of our process or is it altogether different. Wilson stated Watertown is putting together a 50-6 Taxing Authority Board. They will be able to tax citizens with the creation of their Airport Board. They will meet every two months and the Airport Manager is not going to be the liaison for the Board. Wilson thinks it will be the Public Works Director. Watertown Board will be different than ours. Chairman Erickson stated anyone from the Board can give Wilson their recommendation before February 21<sup>st</sup> Council meeting.

### **New Business:**

**Item #8 – Bills** – Broadhurst moved approval of the bills for the month of January, seconded by Kaiser. Added on the bills were Northern Electric and SD Alliance Ins. Kaiser asked what are wire convoluted wafers. Wilson stated they are for our broom; they are little sections or bristles and we have to build the broom with them. Broadhurst asked what is the bill on the DJ with no charge. Wilson stated it's a morning radio show and they give us this for advertising on the other stations. What about the slate top tables? Wilson stated we put new tables in the terminal building. The other ones were beat up and had glass on top and when the glass broke, it was \$60 each to replace them. The new tables were \$120 a piece. **MOTION CARRIED** to pay the bills for the month of January. Kaiser

asked about the \$5,600, were we overpaid. Wilson stated no, we were not overpaid. We were incorrectly paid. This has nothing to do with Helms and Associates. They did not work on the Fire Station. The prime consultant was HKG. They needed a generator, some exhaust for the fire truck, and an air compressor. These items were purchased without going through what the FAA requires on purchasing these items. The City requires 3 quotes on items that are \$2,000 to \$15,000 and above \$15,000 it goes to the City Council. The FAA requires quotes on anything below \$100,000. The smaller items; air compressor and the exhaust system did not receive any other quotes, so they were found to not be available for funding after the FAA did their audit. The generator was the bigger expense which was about \$5,000. There were 3 quotes for this, but one was an internet quote and the FAA does not allow internet quotes. We owe the State money for improperly acquiring these things. These items were not purchased through HKG; these were purchased by Airport staff.

**Item #9 – Financial Report** – Broadhurst moved approval of the financial report for January, seconded by Kaiser. **MOTION CARRIED.**

**Item #10 – Helms and Associates:**

**10a: Pay request for AIP Project #3-46-0001-30-10 GA Apron Expansion, PE# 10 in the amount of \$3,187.77 for Construction Administration and Resident Engineering Services** - Broadhurst moved approval, seconded by Kaiser. **MOTION CARRIED.**

**10b: Pay request for AIP Project #3-46-0001-31-11 Ag Sprayer Taxilane, PE #6 in the amount of \$11,962.33 for Construction Administration and Resident Engineering Services** – Broadhurst moved approval, seconded by Kaiser. Broadhurst asked if this is the final invoice. Muntean stated no, as they bill for time actually spent. **MOTION CARRIED.**

**Item #11 Request approval of lease transfer, Airport Lease #9 from Beving Aerial Crop Service (Martin Beving) to Air Kraft Spraying (Duane Jacob Kraft - Jake)** – Broadhurst moved approval, seconded by Kaiser. Wilson stated Martin Beving sold his hangar and business to Jake Kraft with Air Kraft Spraying. Kraft does have to meet all of our requirements for Ag Sprayers that are in the Minimum Standards. There are insurance requirements; one person must have their current 137 Certificate for spraying. Kraft had given us a copy of his pilot certificate and driver's license. Beving had given us a copy of bill of sale. With the insurance requirement, Kraft is working on giving us this paperwork. They also have to have radios on all their aircraft. Wilson met with Kraft a couple of times and had gone over the Minimum Standards with him. Chairman Erickson asked if Kraft is moving or expanding. Wilson thinks Kraft is expanding as he has other operations in Timberlake and Gettysburg and now here. Braun commented that Kraft is a first class operator. Wilson added Beving has paid his lease through 2012. **MOTION CARRIED approving the transfer of Airport Lease #9 from Beving to Kraft.**

**Item #12 Termination of Lease #73, Hilltop Aerial (Doug Hansen)** – Wilson stated Hansen was not happy with the site that they were operating off of. Hansen thought that it would be more of a temporary site than what it ended up being because of funding from the FAA. We are planning to get the taxiway done a lot sooner and Hansen would have ended up having to operate off a temporary taxiway for two years. He operated here two or three times and was getting some rocks pulled into his props. He asked if we could stop his lease until we have the taxiway finished so he can get a more permanent surface to work from. He also had concerns with not having a building out there and people using his equipment from the other Ag sprayer site. They borrowed his tractor one day without asking. Wilson had talked to the City Attorney about this. The City Attorney said that neither party was in breach of contract. The City Attorney thought that it would be best if we cancel the contract and then once the new taxiway is completed we can come up with a new 5 year lease for the new location. We are not refunding any rent that Hansen paid in full last year. Wilson recommended to the Board to terminate this lease. Broadhurst moved approval of terminating Lease #73, seconded by Kaiser. **MOTION CARRIED.** Broadhurst stated we are spending a lot of money on this Ag Sprayer Taxilane and he does not see any income for this operation in the last two years. It was reported that Beving's pays land rent. Broadhurst stated everyone pays land lease, but the others pay extra money to us and he does not see this from the Ag sprayers. Don't we get any income from their operation? Wilson stated we get land lease and fuel flowage fees. It was added that we do not collect commissions from the Ag sprayers operations. Braun from Quest stated with the termination of the lease, his understanding is we are providing three spots for Ag sprayers in the new area. Does this mean that there is one spot available for anyone? Wilson stated he is holding it for Hansen for a short time. Once the taxiway is up, Wilson would want word from Hansen right away on which spot he wants or we will let someone else take it. Braun stated so Hansen has first right up to a certain point. Wilson stated for one or two months which will be enough time for him to get everything lined up. The spot will not be held indefinitely.

### **Item #13 Airport Manager's Report**

**13a: SkyWest** – Wilson stated that SkyWest was finally selected to serve Aberdeen. The DOT negotiated with SkyWest on the amount they would receive on their subsidy. Rather than \$1.525m, they settled on \$1.198m because SkyWest in their proposal had higher projected fuel costs than what the DOT thought was reasonable and a longer flight time. They should start serving us on March 2<sup>nd</sup>. We may still have Mesaba and Pinnacle for a few days while SkyWest is transitioning. Then we will be going to strictly SkyWest aircraft and everything will still be Delta for ticketing. Nothing should change except for getting our 2 flights back on each day on the weekend. We went down to 1 flight a day first weekend in January. We should be back two flights per day starting in April. The pilots already bid for March so they are not able to change their schedule and get pilots in for the weekend. SkyWest is to call Wilson sometime this week to let him know the definite date when they are starting the 14 flights a week. SkyWest also had asked for a lease from us which Wilson and the City Attorney worked on. Wilson sent the lease to SkyWest last week and they had reviewed the lease. Wilson received the lease back yesterday at 1:15pm.

It was too late then to add on to the agenda with the 24 hour notice requirement. Broadhurst asked if SkyWest signed the lease. Wilson stated they did not sign it. SkyWest had reviewed the lease and had their underwriter review the lease. Now we are ready for the Airport Board to have a special meeting. The Board received a copy of the lease which is the same one that the City Attorney had prepared for Delta. The rates have been updated to reflect the current rate. All of the square footages are the same as what Delta is currently paying us. What was added in is that payment is due within 30 days which will make Broadhurst happy. No more 45 days waiting for payment. Wilson asked when the Board would be available for a special meeting/teleconference before February 21<sup>st</sup>. Kaiser asked do we know who owns SkyWest. Is it the same people that are stockholders in Delta? Wilson stated no. Kaiser stated it used to be that way when Northwest and Mesaba were in existence. Wilson stated Mesaba and Pinnacle are owned by Pinnacle who is Delta, but SkyWest is not affiliated. SkyWest operates on United and Delta. They are not owned by Delta. Chairman Erickson asked if SkyWest has any comments on the lease. Wilson stated their one comment was on page 6; bottom of page the word "harmless," should be added. Broadhurst stated except for the change from 45 to 30 days for payment this is the same lease that Delta had. Wilson stated they also updated the rates. Delta had never signed a lease. Wilson added they made the term of the lease exactly the same as the EAS docket selected SkyWest for. It goes from beginning service date through February 28, 2014. Kaiser asked if they do not sign the lease do we have a re-course. Comm. Wiese stated they acknowledge receipt and sent it back. Wilson added they are the one that requested the lease, reviewed it and sent it back and said that we had missed the word "harmless". Broadhurst stated so the document had gone through our legal end of it. Wilson stated Altman, City Attorney already reviewed everything on it. SkyWest underwriter went through the document and said they are good to go with it. They did not try to negotiate different sizes of space that they are leasing from us. A special meeting was scheduled for Friday, February 10, 2012 at 1:00pm for approval of SkyWest lease. Aman asked if SkyWest will have the same schedule flight times. Wilson stated they are open. Wilson thinks they moved up the one in the morning 15 or 20 minutes and not sure if they had touched the afternoon flight. SkyWest had said that they are open for what we feel as a community we need for flight times. Wilson hopes that SkyWest would be easier to work with for scheduling. Wilson has the phone number for the Director of Operations. Aman asked if the information had been put forth to Absolutely Aberdeen or the rest of the business community as to what flight times would work best. Wilson stated it depends on who you talk to. Northern State wants a later flight. A lot of other people want earlier flights for connections. So, Wilson tried to split the difference. Wilson is not sure if there's another time that would please everyone. Wilson stated we could do a survey of what times would be best for people. SkyWest does have to provide times that can get connections across the country.

**13b: Staff and Equipment** – Wilson stated we had a couple of issues on operating equipment recently; an accident and a near accident. We had taken care of these things by doing a lot of remedial training. We had an operator who had the blade down on the Payloader and hit a couple of Quest Aviation's vehicles that were parked on the apron. There would be a bill for about \$5,000 to get the vehicles fixed. The other is staff went on one of the runways when an aircraft was coming in. This staff had gone through four days worth of training. Hopefully, we will not have these issues again. We are trying to stop them. The pilot was pretty heated after the incident. What happened was someone had turned the radio down on the equipment and the operator did not check to make sure that the radio was turned back up. King had been going over with all the staff that when you get into a piece of equipment, you make sure that you can hear the broadcast on ASOS. This way they know that the radio is working.

Broadhurst asked is there a follow up on the guy who broke in. Wilson thinks that the person is still in jail. We did change and added a lock to completely secure the airside entrances to the building.

**13c: FAA reauthorization** - Wilson stated we have been in continuing resolution since 2007 for the FAA

reauthorization. The Senate and the House both passed their version of the bill; last week for the House, earlier this week for the Senate. We are waiting for the President's signature now and we will have an approved FAA reauthorization, so we should get grants much earlier in the year. Councilman Mitchell asked if this is for 4 years. Wilson stated it's for 3 ½ years. The bad part of it is we go from 95% Federal funding down to 90%. The State is working on it; they currently pay 3%. They are looking to see how much they can afford whether it be 3%, 4% or 5%. Wilson is guessing they will go to 4% and the City will have to pick up the remainder. Currently we are paying 2%, which will triple what we are paying on our projects. EAS is also safe for every community in South and North Dakota. They changed it so if you have less than 10 passengers per day flying out of your airport and you are within 175 miles of a medium or large hub airport, you are not eligible.

**Item # 14 - OTHER:**

Kaiser stated for the next meeting he would like to talk about fares. We are still below what we were for passenger numbers 4 or 5 years ago. This tells Kaiser that there would be people that would fly with us, if the fare is right. Wilson believes that SkyWest fares are still regulated by Delta, but we are still doing better. The January 2012 number is 1,907, which is up 13.78% over January 2011. We are still going up and this is even happening with having one flight per day on the weekend.

Comm. Wiese asked if there is an update on the viewing area incorporating this to the secure holding area. Wilson stated we are still working on this and the observation room will go away. Wilson received some information on costs today from Terry Helms, Helms and Associates that they are sending to the State.

Chairman Erickson asked how full the afternoon flight is. Wilson stated pretty much all of our flights have been nearly full. The big problem with one flight per day on the weekend is Monday, where they are overbooked and bumping people off on the morning flight. Comm. Wiese stated the price on the weekend is high. Wilson agreed that the prices are high on Saturdays and Sundays due to the limited number of seats.

Broadhurst moved to adjourn. The meeting adjourned at 12:39pm.