



**Commission Minutes
for
Regular Session Meeting
(June 20th, 2007)**

Commission Members Present:

Marshall Froyd	(Commission Chairman)
Nancy Erickson	(City Council)
Ron Otterstad	(County Commission)
Jack Frost	(County Commission)

Harold Van Leeuwen (Secretary)(Airport Manager)

Commission Members Absent:

Ron Johnson	(City Council)
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Others Present:

Mike Karvakko	(Karvakko Engineering)
Tom Angus	(HNTB)
Larry Diffley	(Bemidji Aviation)
Cori Ruud	(Bemidji Aviation)
John Chattin	(Bemidji City Manager)
Tony Murphy	(County Administrator)

Approval of Minutes: The minutes for the May 16th, 2007 regular session were presented for review and approval by Manager Van Leeuwen. Motion to approve the minutes as written was made by Commissioner Frost and seconded by Commissioner Otterstad. All approved vote aye. Minutes for May 16th, 2007 were approved as written.

Approval of Bills for Payment: Bills in the amount of \$636,010.36 were presented for payment by Manager Van Leeuwen with payment of the invoices listed below contingent on receipt of grant payments from MnDot office of Aeronautics. Motion to approve payment with the condition of payment of those listed below was made by Commissioner Erickson, seconded by Commissioner Frost. All presented voted aye. Motion to pay the bills as presented approved. Payments contingent on receipt of grant payment are:

Ck #	Name	Amount
6483	Hali-Brite	\$ 28,390.77
6484	Karvacko Engineering	\$ 13,071.45
6487	Gladen Construction	\$ 44,875.00
6488	NAR Landscape Services	\$ 18,888.00
6522	HNTB Architects	\$ 63,673.00
6523	FAA	\$ 299,029.00
6524	HNTB Architects	\$ 32,188.57

Reports:

Enplanements: Manager Van Leeuwen briefed the commission that enplanements again were down and continued to be down for year to date. He recapped for the commission his meeting with the Local Government Affairs representative for NWA. He told the commission that the majority of the discussion was on the continued lack of service by NWA. Mr. Davidman indicated that NWA would be reviewing the level of service for the fall as they bring on additional aircraft.

Budget: Mr. Maas provided the monthly budget report via handout and manager Van Leeuwen provided the commission the final report on the 2006 Audit. He indicated there were no issues arising from the audit and that the budget was on track for the year to date.

2007 Projects:

Update on (AIP-17): Manager Van Leeuwen stated that the clearing and fencing is underway, the AWOS installation has begun and that the runway closure is on schedule for the 5th of July. Manager introduced the discussion on the proposed source of funding for the local share matching funds for the project. He added that the funding source needed to also include the funding necessary to extend sewer and water over to the proposed hangar area and the development of the new taxiway supporting the new hangars. These new hangars are the Johannason's and the North Memorial Air Ambulance. He stated that as a result of discussions with the City Manager and County Administrator the proposed source would be a bond issued by the county and repaid by a county wide levy. The amount of the bond is proposed to be \$600,000 covering the necessary local match of \$430,000, the water and sewer extension for \$110,000 and the taxiway at \$50,000 plus funds to cover the cost of issuing the bond. Manager Van Leeuwen presented a proposed resolution for consideration by the commission supporting the issuance of the bond. Commissioner Erickson specified the resolution would specifically state the amount, and the issue would be covered by a county wide levy. The proposed resolution proposed for consideration is:

Resolution #123

WHEREAS, the Bemidji Regional Airport Commission has completed, adopted and obtained all required state and federal approvals for a detailed update of the Airport Layout Plan (ALP) and MasterPlan that serves as a long-range improvement guide for airport needs and opportunities; and

WHEREAS, through the ALP/MasterPlan process, the Airport Commission, City of Bemidji, Beltrami County, and Minnesota Department of Transportation Office of

Aeronautics officials have identified the necessary changes and improvements to bring the airport into compliance with safety and zoning requirements, will at the same time developing an aggressive positive plan for creating an investment opportunity to attract companies and creation of jobs in the community.

WHEREAS, The Federal Aviation Administration is providing through the Airport Improvement Program a federal grant of \$8,133,554 requiring a local contribution of approximately 5% along with the need to invest a further \$160,000 to construct an additional taxiway and utility services to support new commercial hangar and airport users

WHEREAS, The Federal Aviation Administration rules for Airport Improvement Grants require a 5% matching local share and the consulting civil engineers have estimated the costs related to the proposed airport development extension of sewer/water and taxiway as follows:

<i>The Local Contribution match of 5% is</i>	<i>\$ 430,100</i>
<i>Construction of Taxiway is</i>	<i>\$ 50,000</i>
<i>Extension of Water/Sewer is</i>	<i>\$ 110,000</i>

WHEREAS, The Commission has determined the best and most responsive and feasible method to provide the necessary funds is to request the airport sponsors support the issuance of bonds in the amount of \$600,000. Further, these bonds will be issued by the county and repaid through a county-wide levy.

NOW, THEREFORE, BE IT RESOLVED, the Bemidji Regional Airport Commission respectfully requests its sponsors approve the issuance of Bonds generating the revenue requested in the amount of \$600,000 and that the repayment be accomplished through a county-wide levy.”

Motion to adopt the resolution as presented was made by Commissioner Otterstad and seconded by Commissioner Frost. Commissioner Erickson specified that the resolution detail that the bond would be issued by the county and repaid solely through a county-wide levy. The Resolution as written was adopted by unanimous vote by the members of the Bemidji Regional Airport Commission present on this 20th Day of June, 2007.

Update AIP-17 (cont): Manager Van Leeuwen informed the members on the need to approve a change to the Disadvantaged Business participation in the current contract. He stated that the company that had bid the survey work had notified the commission that they could not provide the required level of experienced surveyors. As a result, a partner company to the survey company would be doing the work. Because of this we would be below the goal established by the airport however, combined with the previous years work the airport would remain well over the goal.. The acceptance of the change requires approval by the commission. Commissioner Frost offered the motion to approve the change, it was seconded by Commissioner Erickson, all present voted aye. Motion to approve the change is approved.

Update AIP-16: Manager Van Leeuwen stated the Precision Approach Path Indicators (PAPI's) are complete for runway 7/25 and accepted by the FAA. He also informed the commission that the additional grading necessary for acceptance and flight check of the Instrument Landing System (ILS) for 7/25, the additional electronics are on order and expected to be installed later in June, flight check to be in July with publication of the approach for Rwy 25 to occur on Aug 31st.

Closeout for AIP-16 is underway and should be complete by the end of August, it is being accomplished by Karvakko Engineering.

Zeman House Removal: The commission was informed that the house was purchased by Kevin Schmidtke and is to be removed by the end of September. Lot restoration contract was awarded to Mr. Joe Beer and cleanup is expect to not exceed \$9,000. Manager Van Leeuwen is working with the SWCD to develop a reforestation plan for the entire property. This effort is to support the potential to build a sea plane base on the property's frontage with Grass Lake.

Air Service Marketing Proposals: Manager Van Leeuwen presented an assessment of the two proposals. The assessment included a head to head comparison of efforts with Trillion providing more visits and experience. The cost comparison yield less than a \$900 difference to the airport after funding from the State under an air service marketing grant. Manager Van Leeuwen recommended to the commission that they should approve the Trillion Aviation proposal (\$22,950 with the local share of \$6885) over the Kramer Aerotek proposal (\$19,900 with the local share of \$5970) because of Trillion's representative's experience, access to various airlines and its proximity to the Bemidji Airport. Commissioner Otterstad stated that every effort was to be made to ensure this effort married up with the larger Marketing effort ongoing through the HRDC/JEDC and Anchor Marketing. A motion to accept the proposal by Trillion, contingent on the receipt of the grant from MnDot Aeronautics for a 70/30 split. Motion to accept as presented was seconded by Commissioner Erickson. All present voted aye, motion to select Trillion for Air Service Marketing contingent on receipt of the Marketing Grant from the State is approved.

Development Marketing (Anchor Marketing Proposal): The results of the request for a proposal by Anchor Marketing to implement the Development Marketing effort was presented by Manager Van Leeuwen. He presented the synopsis of the deliverables, the schedule and cost of the effort. He also stated that approval would be contingent on the participation by MnDot through a marketing grant for the share of the project directly related to the Airport and Air service. The total three year cost excluding travel by team members is \$90,000 to be shared between the city, county and airport. The first year cost is to be \$49,080, second and third years to be \$20,460 each year. The JEDC also approved a \$10,000 per year contribution. If the grant is approved the airports share of the project will be \$21,000 less. A motion to approve the contract contingent on the receipt of the State Grant was made by Commissioner Otterstad and seconded by Commissioner Frost. All present voted aye to approve the contract contingent on receipt of the state grant. Motion carried.

DreamCatcher Aviation: The commission was informed that DreamCatcher aviation had requested a special commission meeting to present their Business Plan, outline the support they are requesting from the community, and the positive impact in jobs, revenue and development they will provide. The commission agreed to a special commission meeting for 12:00 (noon) on the 11th of July in the conference room.

Best Practices effort: Mr. Diffley presented to the commission a proposal to develop a plan to visit a wide variety of airports and Fixed Base operators to better understand the constraints, problems and opportunities. He suggested that this occur after the end of summer in the September or October time frame. Manager Van Leeuwen stated to the commission the pressure to have a quick solution was no longer present because of the agreement between Johanneson's and the FBO. The commission agreed to Mr. Diffleys proposal.

New Items:

New Tennant: Manager Van Leeuwen informed the commission that North Memorial ambulance service is bring a Air Evac Helicopter operation to Bemidji and as a result will be building a hangar on the airport next to the Johanneson's they will require water and sewer. Manager Van Leeuwen estimated the cost of the water and sewer to serve the hangar area with up to 13 sites would be approximately \$110,000. That amount is included in the Bond initiative proposed and approved for submission to the sponsors. The resulting increase would be between 9-11 cents per square ft on the rental rates for ground rent.

Changes at MnDot Aeronautics: Manager Van Leeuwen informed the commission that the director "Ray Rought" was being reassigned and that a temporary director was be moved in for up to one year.

Adjourn: Motion to adjourn made by Commissioner Erickson seconded by Commissioner Frost. All presented voted aye. Meeting adjourned. The next regular meeting will be July 18th, 2007 with a special meeting scheduled for July 11th, 2007 at 12:00 noon

Respectfully submitted

Harold M. Van Leeuwen, Jr
Manager, Bemidji Regional Airport