

MOORHEAD AIRPORT COMMITTEE

Meeting Minutes

Wednesday October 31, 2007

Moorhead City Hall, First Floor Board Room

Members Present: Randy Harms, Dale Niemi and Konrad Olson

Members Absent: Swede Stelzer and Jon Riewer

Staff Present: Peter Doll, Business and Development Services Manager
Scott Hutchins, Director of Community Services
Kristie Leshovsky, Community Services Planner
Harlyn Ault, Finance Director
Mark Voxland, Mayor
Michael Redlinger; Acting City Manager
Mark Hintermeyer, Council Member
Jackie Engel, Office Specialist

Others Present: Brian Martin, Moorhead Flight Support (MFS)
Kal Skadberg, MFS Airport Manager
Tom Foster, Short Elliott Hendrickson (SEH)

1. Call to Order

Chair Harms called the meeting to order at 3:30.

2. Agenda Amendments

There were no agenda amendments

3. Meeting Minutes

Martin requested clarification to the minutes regarding a procedure at the airport and a clarification about agreements.

Olson asked about clarification at some future date on the proposed lease term on the private hangars.

Action taken: Olson moved, seconded by Niemi to approve the minutes of August 15, 2007 with changes. Motion carried by unanimous voice vote.

4. Citizens Addressing Committee

No citizens asked to be heard.

5. Project Updates

A. Airport Layout Plan and Environmental Assessment

Tom Foster, SEH, provided an update of the Airport Layout Plan and environmental assessment. Foster stated that the airport has undergone many changes since its beginning and he noted several.

Foster stated that the alignment of the cross-wind runway has been changed from its original alignment to a north/south direction because it will have better total wind coverage. Foster added that with the north/south direction the runway will need to be shorter than originally planned.

Foster stated that the Phase I Environmental Site Assessment has not found any major environmental impacts and the report has been distributed to all pertinent agencies who have 30 days to comment.

Hutchins requested Foster to comment on the proposed upgrades to the fuel system. Foster explained the background on the current fueling system and showed the committee where SEH has recommended placing a new large capacity fuel tank. FAA has recommended separation between fuel tanks and the proposed location meets that. Doll added that the plans for the new tank were put on hold because of the lateness of the season. Martin asked, because of parking conflicts, if it is possible to place the tank off the tarmac or alternatively have an underground tank. Foster said that it would not be a problem to move tank off the tarmac, but an underground tank would prove to be more difficult. Hutchins asked if there was an extensive review process to get the tank moved to another location. Foster said that it is not. Olson asked if the tank could be moved in the grass by the helicopter parking. Foster said that could be done. Harms asked how far a tank needs to be from a building. Foster stated that in general terms it is 50 feet. The consensus of the Committee was to have SEH prepare a couple re-siting options (off the tarmac) for discussion at a future meeting.

B. Joint Airport Zoning Board

Leshovsky reported that the Moorhead City Council has approved convening the zoning board to review the airport zoning. Leshovsky stated that the board first met on October 23rd and will be having another meeting on December 11th. Leshovsky provided maps indicating the

change in Zone C. Olson asked if the City notifies the land owners. Foster stated that land owners only need to be personally notified if they are within Zone A or B.

Hutchins asked the effect of expanding the current Zone C to the proposed Zone C, especially in height in light of restrictions within the City's business park. Foster stated that the height restrictions for Zone C is 150 feet above the airport elevation and there can be no lights on a building that could be confused with the airport. Hutchins asked about those who currently have towers and elevators. Foster stated that the ordinance states that it does not prohibit any use that is in existence.

6. 2008 Proposed Budget

Michael Redlinger, Acting City Manager, gave the committee and update on the 2008 budget.

Redlinger stated that the Local Government Aid (LGA) revenue is less than anticipated. Redlinger stated the City Council requested costs/reallocations totaling \$320,000. He did so by reducing reserves, cutting supplemental budget requests, reducing outside agency requests, base budget reallocation, and reducing the airport general fund budget. Redlinger added that the council discretionary fund was looked at as well. Martin responded that the airport budget is approximately \$100,000 and a \$33,000 cut would result in a 33% cut when all other departments were getting a 1% cut. Ault stated that the comprehensive airport budget is approximately \$900,000, so in that respect, the reduction is more like 2%.

Leshovsky presented three budget reduction scenarios to the committee. These scenarios included reducing MFS compensation, taking the money from the proposed airport manager position, increase flowage fee, etc.

Niemi asked what is meant by the city flowage fee. Leshovsky explained that currently the flowage fee is 10¢ and in each scenario this price would increase as to create more revenue for the City.

Martin expressed concern that the airport is not a 40 hour a week job and that the various scenarios do not work. Another concern that Martin has is that he feels MFS is under contract for 2008 so money should not be touched. Martin added that he has ordered insurance already for 2008 which he will be unable to get back. Martin also noted that if the City would have gotten the four new private hangar sites done the City would be getting revenue from those leases and property taxes.

7. Service Analysis Discussion

Leshovsky provided a general overview of the service analysis provided by staff.

Hutchins stated that Martin has made it clear that the functional level of coverage for an airport far exceeds the 50 hours that are part of the contract. Hutchins stated that the assumptions made in the analysis may or may not be on point. Hutchins stated that at the meeting in August there was a discussion on how to reduce costs for 2008 and now there has been a demand of a budget reduction.

Leshovsky stated that there has been some cuts to the airport and there needs to be discussion on how this will impact MFS. Leshovsky added that the City is currently compensating for 50 hours a week and understands that to run an FBO, more hours may be needed. Leshovsky said that in 2008 with the budget reduction, that particular number of hours may need to be reduced and the committee needs to discuss. Doll asked Foster what his experience is on what is the proper/minimal level of staffing at an airport. Foster stated that there are 140 airports in Minnesota and Moorhead does stand out in regard to the number of based aircraft it has. Foster added that approximately 40 airports are not attended at all. The most desirable features of an airport are access to fuel and having a Arrival/Departure building with space to get into with restroom, etc. The extent to which it is manned is less important, Foster stated, than having fuel and other facilities.

Martin suggested that the City needs to look at credit card charges and snow removal costs. Niemi stated that it appears that the City is taking some information from other airports, but leaving out other information. Hutchins assured the board that if that is the case it is not intended and added that staff sent the information to Brian for review. Hutchins stated that since the airport opened, there has not been a discussion on service levels.

Martin stated that he would like the committee members to say what kind of service level they want and maybe they need some time to review this.

Hintermeyer stated that the Council had just recently reviewed the Acting City Manager's budget reduction proposal. Hintermeyer added that the 2008 budget discussion will continue at the November 13th meeting and that any information and input should get to the City Council in advance.

The board decided to have a special meeting next Wednesday the 7th, to review 2008 budget reduction options.

8. Report of the Airport Manager

Snow Removal Building: Skadberg stated that the construction of the building is moving along.

Fuel: Skadberg informed the committee that the fuel sales for September 2007 are up 290 gallons over 2006.

He reported the September 2007 fuel sales as follows:

100LL	4,046 Gallons
Jet A	100 Gallons

9. Adjournment

The meeting was adjourned at 5:12.