



MINUTES OF THE MEETING

DATE: October 21, 2014

PLACE: Amatuzio Conference Room
Duluth International Airport, Duluth, MN

DIRECTORS PRESENT: Mike Lundstrom
Pat Mullen
Heather Rand
Ken Butler

DIRECTORS ABSENT: Ken Stromquist
Sue Ross
Richard Stewart

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Joan Christensen, Assistant City Attorney
Blaine Peterson, Director of Operations
Natalie Peterson, Com. & Marketing Director
Ryan Welch, Terminal Facilities Manager
Brian Madsen, Sky Harbor Manager
John DeCoster, Trillion Aviation
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Darren Christopher, RS&H
Paul Karas, RS&H
Benita Crow, SEH
Don Monaco, Monaco Air Duluth
Eric Monson, Lake Superior Helicopters
Joseph Solberg, 148th CES
Sandra Buchanan-Strom, 148th CES

President Lundstrom welcomed everyone and called the meeting to order at 8:00 a.m. He reminded people to sign up for Opportunity to be Heard and invited Mr. Werner to speak. Mr. Werner presented on the Executive Director review.

EXECUTIVE DIRECTOR'S REVIEW

- Air services year to date remains the same, with a modest increase. United successful because of seasonal 4th flight. Allegiant decrease due to suspension of seasonal flights, meetings regarding marketing and scheduling.
- Airfield Operations & Development: Mr. Werner spoke on zoning update, working with MCOA for state wide zoning process. Mr. Blaine Peterson, Director of Operations, explained the general engineering consultant selection timeline. Landside Operations –

parking ramp, skywalk and wayfinding signage, signs and banners are complete. Mr. John DeCoster, Trillion Aviation spoke on Hydrosolutions accepting the term sheet, will now start developing lease agreement. Draft LSC center for advanced aviation agreement for Hangar 103 being fine-tuned, plan to be in front of the Board in November.

- Marketing – Ms. Natalie Peterson, Communications & Marketing Director, overviewed on the DAA fall campaign, digital, video, radio, banner ads and interactive social media. The DAA brand is being targeted to a variety of demographics. Updated on the launch of the parking ramp with a ribbon cutting and social hour event, providing giveaways and tours. Bentleyview Golden Ticket Chicago package opportunity and DLH volunteer night.
- Mr. Werner presented at the Canosia Township updating on the airport and its impact on the community, very well received.

Questions and discussion followed on several of the Executive Directors review items. Dir. Butler moved to approve the September 16th meeting minutes and other consent items below. Dir. Rand seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #20, #21 and #22, 2014. Construction Fund sheet #12, 2014.

Thank you letter from 2014 Duluth Air and Aviation Expo to DAA for partnership and support this year.

Thank you letter from Memorial Blood Centers to DA for the September 11th Duluth International Airport Blood Drive.

Aviation news releases Bloomberg article “United Trims Winter Flying Months Before Snowflakes Falls”; DAA release “Board of Directors Appointee”; “KSTP 5 Eyewitness News “SkyWest is Paid \$803,000 for Revenue Losses”” DNT releases “Duluth Airports Get More Than 2M in Funding”, Lake Superior College’s New Downtown Duluth Campus is Getting a Major Boost”, Strong Winds Send Sn girds to Death and DNT Local View Would Sky Harbor Airport Land be Better Used for Camping”; Twin Cities Business Magazine Northern Exposure “Come Fly with Me, Duluth International, with a New \$78 Million Terminal, is More than a Regional Airport for Business Travelers”.

E-mail from Monaco Air Foundation with summary of September 2014 activities.

Letter from MnDOT Office of Aeronautics to Minnesota Council of Airports regarding feedback on the development of the state aviation system plan.

Letter from HydroSolutions of Duluth Inc. to DAA accepting the premise of the terms set forth in the lease term sheet.

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Eric Monson, Lake Superior Helicopters (LSC), gave background on their flight training and spoke on the frustrating 11 months process to obtain a check ride approval through FAA. Spoke to Mr. Werner who took matters in to his own hands and in three days the check ride was approved. Thanks to Mr. Werner, Lake Superior Helicopters will continue to grow.

OLD BUSINESS

Pres. Lundstrom moved New Business Item 7A up and invited Mr. John DeCoster, Trillion Aviation to present on the 2015 rates and charges. Mr. DeCoster presented background information and explained the formula based model for proposed airline and parking ramp rates. Questions and discussion followed. Rates and charge addendum will be brought up before the board in December.

Pres. Lundstrom moved back to Old Business. Mr. DeCoster reviewed on the quarterly summary for business services at Duluth International Airport. He reviewed the timeline, process, results and objectives. Questions followed. Mr. DeCoster was thanked for his update.

Mr. Mike Dosan, Kraus Anderson (KA), spoke on two warranty items regarding the terminal project and reviewed on timelines. They continue to work toward resolution and satisfaction for these issues. Questions followed. Mr. Dosan expressed Kraus Anderson's pride on this successful community project and KA's satisfaction in working with the Duluth Airport Authority. Mr. Dosan was thanked for his update and partnership.

Mr. Peterson explained the supplemental KA construction management agreement and recommended approval. Dir. Mullen moved to approve the construction management agreement second amendment between Kraus Anderson Construction Company and the Duluth Airport Authority. Dir. Butler seconded. Motion carried.

Mr. Werner gave background information on the amendment to the operating agreement with Monaco Air and recommended approval. Questions followed. Dir. Butler moved to approve amendment number 10 to the operating agreement between Monaco Air Duluth and the Duluth Airport Authority. Dir. Rand seconded. Motion carried.

NEW BUSINESS

Mr. Peterson overviewed on the long process for the supplemental agreement for the lease and introduced Joseph Solberg and Sandra Buchanan-Strom, 148th CES. Dir. Rand moved to approve supplemental agreement No. 17 to lease DA-25-075 ENG-between the Department of the Air Force and the Duluth Airport Authority. Dir. Mullen seconded. Motion carried.

Mr. Peterson explained the service agreement. Questions followed. Dir. Mullen moved to approve the professional service agreement between TKDA and the Duluth Airport Authority. Dir. Rand seconded. Motion carried.

Mr. Peterson detailed on the security agreement and recommended approval. Ms. Joan Christensen spoke on the clarification of rates. Questions followed. Dir. Rand moved to

approve security officer's agreement between General Security Services Corporation/Midwest Patrol and the Duluth Airport Authority. Dir. Butler seconded. Motioned carried.

Ms. Joelle Bodin, Finance and Administration Director, summarized on the 2015 financial budget and assumptions. Mr. Werner detailed further on the process, structure and software. Questions and discussion followed. Dir. Lundstrom thanked Ms. Bodin for the assumptions and spoke on requests for next year. Dir. Rand moved to approve the Duluth Airport Authority 2015 financial budget. Dir. Butler seconded. Questions followed. Motion carried.

Pres. Lundstrom adjourned the October 21st DAA board meeting at 9:30 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: _____



DATE: _____

11-18-14