



MINUTES OF THE MEETING

DATE: January 21, 2014

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

DIRECTORS PRESENT: Robert Pearson
Michael Lundstrom
Roger Wedin
Sue Ross
Pat Mullen
Ken Stromquist
Ken Butler

DIRECTORS ABSENT: Heather Rand

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
Joelle Bodin, Finance & Administration Director
Brian Madsen, Sky Harbor Manager
Jana Kayser, DAA Bookkeeper
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Mike Dosan, Kraus Anderson
Andy Towner, Kraus Anderson
Dan Reimer, Kaplan Kirsch & Rockwell
Darren Christopher, RS&H
Benita Crow, SEH
Kaci Nowicki, SEH
Barb Michelizzi, Republic Parking

President Pearson welcomed everyone and called the meeting to order at 8:01 a.m. He introduced the newest Board Member, Dir. Ken Butler, who will be replacing him next month. Mr. Werner invited Ms. Barb Michelizzi, Republic Parking, to the table and spoke on the praise from a customer for Ms. Michelizzi's help shoveling her out during a snow storm. He presented her with a customer service award and thanked her for her service. Ms. Michelizzi was thanked by the Board members. Mr. Werner explained Pres. Pearson's tenure is up and he has been a part of the Board through tremendous changes in this organization. He has been a great leader, coach and mentor and will be missed. Pres. Pearson was presented a plaque in recognition for his seven years of service. Pres. Pearson expressed his pleasure and satisfaction in working with

the Board. He has worked with remarkable directors and thanked DAA for the opportunity to serve. The Board thanked Pres. Pearson for his service.

Pres. Pearson invited Mr. Werner to present on the Executive Director review.

EXECUTIVE DIRECTOR'S REVIEW

- End of year air service total passengers down 2.4%, but still third most voluminous year. Monthly passenger increase of 6.5%. 2014 highlights, seat capacity increase and SkyWest/United adding fourth flight in June.

Dir. Wedin arrived at 8:07 a.m.

- Airside operations – union negotiations have begun; Minimum Standards feedback and timelines. Mr. Blaine Peterson, Director of Operations, spoke on an international diversion, the reaction plan, issues and teamwork with Monaco Air. Overall positive feedback, but improvements needed – working sessions planned; Received notice from the FAA Tower Manager that they are back on the list for reduced hours. Mr. Werner spoke on the unfavorable response to parking rates from crew members, adjusted with a decrease; Oakwells transition going well. Sky Harbor – environmental assessment and master plan -- outreach, tenant meetings to be scheduled.
- Marketing – Ms. Natalie Peterson, Communications and Marketing Director, spoke on the Thanks Again program and spring campaign preparation.
- Legislative front -- 15 million reallocation projected to be paid back to the State Airports Fund and Mn/Dot plans; Duluth Chamber military affairs effort for the Runway 3/21 extension awareness.
- Meeting with Senator Franken and local aviation leaders today and the next Northern Aero Alliance meeting is scheduled March 19th here at the airport.

Questions and discussion followed on several of the Executive Directors review items. Dir. Stromquist moved to accept the consent items below. Dir. Ross seconded. Motion carried.

CONSENT ITEMS

December 17, 2013 meeting minutes.

Cash disbursement sheets #27, 2013 and #1, 2014. Construction Fund sheet #17, 2013.

E-Mails from DAA to Overnight Parking Permit Holders regarding 2014 Rates and Parking arrangements and comments and replies from parking permit holders; e-mail and explanation letter from DAA with adjusted 2014 parking rates and replies and comments.

Request letter from DAA to U.S. Customs and Border Protection for a temporary resolution for Federal Inspection Service (FIS) at the Fixed Base Operations.

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E-mail from Monaco Air Foundation to DAA with summary of December 2013 activities.
Letter from Republic Parking to DAA regarding year end revenue.
News release from DAA "Duluth International Airport One Year Anniversary in New Terminal: Looking Forward to Its New Flight Path Ahead".
AAAE press release "Airport Executives Congratulate Congress on Omnibus Spending Bill".
Fall 2013 AirTap Briefings "Airports Try Creative Ways to Generate Revenue".
January 2014 Minnesota Construction Association (MCA) newsletter "Duluth International Airport Passenger Terminal Selected as 2014 MAC Choice Award Recipient".

OLD BUSINESS

No old business.

NEW BUSINESS

Mr. Werner gave background information on the 911 Building and Quality Mechanical Services (QMS). Dir. Lundstrom moved to approve the storage space lease for Building 911 between the DAA and QMS. Dir. Mullen seconded. Questions and discussion followed. Motion carried.

Mr. Werner explained the renewal lease management agreement and recommended approval. Dir. Wedin moved to approve the resolution for a lease management agreement between the DAA and Monaco Air Duluth. Dir. Ross seconded. Questions followed. Motion carried.

Ms. Natalie Peterson spoke on the advertising agreement. Dir. Lundstrom moved to approve the resolution for the license agreement for the display of advertising between DAA and Security Jewelers. Dir. Stromquist seconded. Questions followed. Motion carried.

Mr. Blaine Peterson gave background information and overviewed on the joint use agreement. Mr. Werner further detailed and recommended approval. Dir. Lundstrom moved to approve the resolution for the Airport Joint Use Agreement (AJUA) between the DAA and National Guard Bureau. Dir. Ross seconded. Motion carried.

Pres. Pearson closed this portion of the meeting to evaluate the performance of Executive Director, Mr. Werner, at 8:47 a.m.

Pres. Pearson reconvened and opened the closed session at 9:56 a.m.

Pres. Pearson summarized on the Executive Director evaluation. The overall consensus by the board -- Mr. Werner is doing an excellent job in leadership and great progress in the solidifying of the staff team development process. The Executive Committee recommends the Executive Director's salary be increased by \$3,000 to \$98,000 effective January 1, 2014, and a one time work plan incentive payment of \$3,500. Dir. Stromquist moved to approve the recommendation of the Executive committee. Dir. Ross seconded. Motion carried.

Pres. Pearson spoke on the 2014 work plan. Dir. Mullen moved to accept the Executive Directors' 2014 work plan as presented. Dir. Lundstrom seconded. Motion carried.

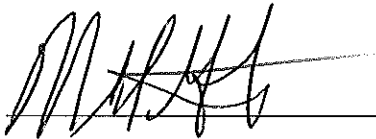
Dir. Wedin presented the nomination for the slate of officers due to Pres. Pearson tenure being up. Dir. Wedin moved to approve the nomination for the slate of officers as -- Dir. Lundstrom President; Dir. Wedin Vice President and Dir. Stromquist Secretary. Dir. Ross seconded. Motion carried.

Dir. Stromquist explained this would be the last report on the DEED unmanned aerial vehicle initiative as Minnesota was not selected, North Dakota was awarded.

Pres. Pearson adjourned the January 21th DAA board meeting at 10:02 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 2/18/14