



MINUTES OF THE MEETING

DATE: August 19, 2014

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

DIRECTORS PRESENT: Mike Lundstrom
Pat Mullen
Sue Ross
Heather Rand
Ken Butler

DIRECTORS ABSENT: Ken Stromquist

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Joan Christensen, Assistant City Attorney
Natalie Peterson, Com. & Marketing Director
Ryan Welch, Terminal Facilities Manager
Joelle Bodin, Finance and Administration Director
Brian Madsen, Sky Harbor Manager
John DeCoster, Trillion Aviation
Mike Bown, Trillion Aviation
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Darren Christopher, RS&H
Andy Towner, Kraus Anderson
Charles Wall, Arrowhead Tap House
John Geissler, City of Hermantown
John Mulder, City of Hermantown
John Marshall, Northern Veterans Service
Tony Guerra, Northern Veterans Service
Tim Cleary, Cleary Sculpture
Benita Crow, SEH
Steve Overom, Hermantown City Attorney

President Lundstrom welcomed everyone and called the meeting to order at 8:00 a.m. He mentioned to the public they need to sign up for Opportunity to be Heard and are limited to three minutes to speak. Mr. Werner presented on the Executive Director review.

- Air services update -- modest growth. United 4th flight successful, 34% increase year to date. Allegiant decrease due to suspension of Phoenix/Mesa seasonal flight. Ms. Joelle Bodin, Finance & Administration Director briefed on financial impact with suspension of Allegiant flight. Questions followed.

EXECUTIVE DIRECTOR'S REVIEW

- Airfield Operations & Development: Airport zoning update, working with MCOA and MnDOT regarding concerns with comprehensive input with the zoning process. Update with local zoning board to pursue parallel paths to complete new ordinance for the DAA Master Plan and work toward statewide changes. Blaine Peterson, Director of Operations, updated on Airside Operations – FIS facility design continues to move forward, he will continue to update. Landside Operations – briefed on way finding signage, parking ramp construction and skywalk process.
- Marketing – Ms. Natalie Peterson, Communications & Marketing Director, spoke on the Las Vegas marketing campaign -- will have a booth at the airshow on Saturday. Updated on the new Sky Harbor Airport brand along with history and information for public -- presented banner bug and brochures.
- The next Northern Alliance meeting is scheduled for September 17th at the Hermantown Area Chamber of Commerce.
- Meetings with Allegiant and SkyWest were very positive.

Questions and discussion followed on several of the Executive Directors review items. Dir. Mullen moved to approve the previous minutes and other consent items below. Dir. Rand seconded. Motion carried.

CONSENT ITEMS

July 17, 2014 meeting minutes.

Cash disbursement sheets #16, and #17, 2014. Construction Fund sheet #9, 2014.

Aviation news releases Star Tribune "Duluth, Hibbing Airports Seek Oberstar Naming Rights", "LSC Announces Aviation Maintenance Technician Program", Business North – Daily Briefing "LSC Adding Aviation Maintenance Technician Program", DAA "Duluth International Airport Allegiant Suspends Service to Phoenix/Mesa", DNT "Allegiant Discontinues Duluth-Phoenix Flights" and WDIO "Duluth Airport Authority Seeking Public Comment on Sky Harbor Runway Change".

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

Letter from Hydrosolutions to DAA with sustainability plan.

Letter from City of Hermantown to DAA regarding Runway 3-21 extension and Hermantown zoning concerns.

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Steve Overom, Hermantown City Attorney, Mr. John Mulder, Hermantown City Administrator and Mr. John Geissler, Hermantown City Councilor, were invited to speak regarding the letter from Hermantown concerning Runway 3-21 extension and concerns. Mr. Overom spoke on concerns for MnDOT legislation change timeline. Mr. Darren Christopher, RS&H, commented on MnDOT zoning update meetings he has attended, they have indicated

they want concurrence from all Minnesota agencies for statutes and rules updates.

OLD BUSINESS

Ms. Joelle Bodin Director of Finance and Administration presented background information and spoke on Hydrosolutions, rent credits and sustainability plan. Questions and discussion followed. Dir. Butler moved to approve rent credits for Hydrosolutions, contingent upon lease negotiations, in the amount of \$125,841.34 to be amortized over new lease term. Dir. Rand seconded. Motion carried.

Ms. Bodin explained the property insurance. Dir. Ross moved to approve the payment of property insurance premiums of \$77,175 for the 2014-2015 renewal period. Dir. Butler seconded. Motion carried.

Ms. Benita Crow, SEH, presented a brief update and timeline on the Sky Harbor Airport Layout plan. The Board thanked Ms. Crow for her presentation. Mr. Werner thanked SEH for all their hard work on this project.

NEW BUSINESS

President Lundstrom noted to the Board the New Business add in resolutions Items G to J. He invited Mr. Tony Guerra, Northland Veterans Service Committee, to the table. Mr. Guerra spoke on honoring Mr. David Wheat with a bronze statue to be placed on the second floor of the Duluth International Airport. He introduced Mr. John Marshall who gave background information on Mr. Wheat's personal story and statue information. Mr. Tim Cleary, who created Joe Gomer's statue, has been selected as the sculptor. Mr. Werner expressed the DAA staff whole heartily supports this statue and recommended approval. Dir. Mullen moved to approve the resolution for the David Wheat statue. Dir. Butler seconded. Questions and comments followed. Motion carried.

Mr. Peterson summarized on the repairs for the FAA tower. Dir. Mullen moved to accept and approve MnDOT Agreement #06518, State Project #A6901-181 for emergency roof repair for Hangar 104 and HVAC, floor and roof replacement for ATCT in the amount of \$690,070 and to authorize the Authority's President and Secretary to execute the grant agreement. Dir. Rand seconded. Motion carried.

Dir. Ross left the meeting at 8:54 a.m.

Mr. John DeCoster, Trillion Aviation and Ms. Peterson presented on the Duluth Business Service concept. Ms. Peterson spoke on background information and presented the concept and explained sponsorship opportunities. Mr. DeCoster presented examples of cost and revenue. A

sponsor has tentatively agreed to sponsor the Business Center. Dir. Rand moved to authorize staff to finalize negotiations of a major sponsorship agreement with the proposed sponsor and finalize a conversion and completion plan. Final contract will be brought to the Board for approval and execution prior to the award of any construction contracts. Dir. Mullen seconded. Motion carried.

Mr. Peterson summarized on the Airport Improvement Plan and the grant process and explained the following add in grants. Questions followed on the grants. Dir. Butler moved to approve the resolution to accept and approve Federal grant AIP 3-27-0024-56-14 for parking ramp skywalk in the amount of \$1,505,706.00, contingent upon receiving the grant and to authorize the Authority's President and Secretary to execute the grant.

Dir. Mullen moved to approve the resolution to accept and approve Federal Grant AIP 3-27-0024-57-14 for snow removal equipment in the amount of \$803,095.34, contingent upon receiving the grant and to authorize the Authority's President and Secretary to execute the grant. Dir. Rand seconded. Motion carried.

Dir. Butler moved to approve the resolution to accept and approve Federal Grant AIP 3-27-0025-09-14 for Sky Harbor Apron in the amount of \$625,289.10, contingent upon receiving the grant and to authorize the Authority's President and Secretary to execute the grant. Dir. Rand seconded. Motion carried.

Mr. Werner introduced and presented a brief background on Mr. Mike Bown, Trillion Aviation. Mr. Bown presented on health of air service at DLH. He overviewed on the historical industry and local statistics. He summarized on the positives of this airport, trends going forward and challenges. Questions and discussion followed. Mr. Werner spoke on continuing to reverse leakage, filling aircrafts and fare structure. Mr. DeCoster detailed on the industry, pilot shortages and issues. Further questions and discussion followed. Mr. Bown briefed on several meetings with airlines. The Board thanked Mr. Bown of his very informative and interesting update.

Pres. Lundstrom adjourned the August 19th DAA board meeting at 9:50 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 9-16-14