



MINUTES OF THE MEETING

DATE: March 17, 2015

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

DIRECTORS PRESENT: Mike Lundstrom
Ken Stromquist
Pat Mullen
Sue Ross
Heather Rand
Ken Butler
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
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Terminal Facilities Manager
Brian Madsen, Sky Harbor Manager
John DeCoster, Trillion Aviation
Kathy Carver, DAA Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Andrew Samberg, RS&H
Paul Karas, RS&H
Benita Crow, SEH
Kaci Nowicki, SEH
Scott Sannes, SEH
Allyz Kramer, SEH
Mike Dosan, Kraus Anderson
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
John Mulder, Hermantown City Administrator
Bill King, Cirrus Design
Nicole Birch, Avis
Briggs LeSavage, WDIO TV
Candace Renalls, DNT

President Lundstrom welcomed everyone and called the meeting to order at 8:00 a.m. He reminded people to sign in for Opportunity to be Heard section, which is restricted to three minutes and invited Mr. Tom Werner, Executive Director, to present on the Executive Director review.

EXECUTIVE DIRECTOR'S REVIEW

- A presentation on air service is later in this meeting. Year to date passenger numbers down 11%, United numbers are strong, with Delta doing well and Allegiant numbers down reflecting the stop of services to Orlando and Mesa. Mr. Werner corrected his review, for the record – year to date decrease 13.4% and Delta increase of 4.2%.
- Mr. Blaine Peterson, Director of Operations: Airside -- doing well due to the mild winter; Landside – CBP/General Aviation Facility moving along. Mr. John DeCoster, Trillion Aviation, spoke on the implementation of the Sky Harbor Airport business plan. Ms. Joelle Bodin, Director of Finance and Administration, spoke on the accounting software process and selection, Mr. Werner detailed further. Ms. Bodin presented on the parking revenue and ramp comparison from 2014 to 2015.
- Mr. Werner presented a Customer Service Recognition award to Ms. Nicole Birch, Avis Car Rental. The Avis manager recommended recognition for her impeccable customer service.
- Ms. Natation Peterson, Communications and Marketing Director spoke on future campaign plans, more detail next month. She also updated on the website process and timeline moving forward.
- Mr. Werner summarized on the Minnesota LASC group and the major talking points concerning the FAA reauthorization.
- The next Northern Aero Alliance will be held in the DAA Amatuzio conference room tomorrow March 18th.
- Spoke on the AAAE National Air Service Conference, three themes – pilot shortage, capacity discipline and air service models, very good conference.

Questions and discussion followed on several of the Executive Directors review items. Dir. Mullen moved to approve the February 17th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #3, #3A and #4, 2015. Construction Fund sheet #3, 2015.

Letter from DAA to stakeholders regarding Master Plans presentations.

Aviation news releases – DAA “Statement by the Duluth International Airport on the Passing of Former Executive Director John Grinden”, DNT “Grinden was Longtime Duluth Airport Leader” and Wichita Eagle “New Rules on Flight Hours Create Pilot Shortage for Regional Airlines”.

E-mail from Monaco Air Foundation with summary of February 2015 activities.

News releases – DNT “Allegiant to Suspend Duluth-Las Vegas Flight”, Mesabi Daily News “Allegiant to Cut Flights In and Out of Duluth”, “Allegiant Announces End of Service from Duluth” and “Allegiant Air to Exit Duluth Market In May”.

March Airline Business “Oil Smooths US Profits Path”.

Thank you letter from DAA to 148th Fight Wing and ANG Fire Department for providing CPR/AED training to Airport Staff.

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Bill King, Cirrus Design, thanked DAA for the Open House coordination. He explained and detailed on the ground lease estoppel resolution in New Business.

OLD BUSINESS

Pres. Lundstrom reminded the Board that the Master Plan (MP) process will be presented in segments. Mr. Peterson explained chapters one through three were discussed last month and chapter four would be touched on this month. Ms. Kaci Nowicki, SEH, overviewed on the Duluth International Airport Master Plan forecasts for 2010 - 2030. She spoke on the timeline process for future board presentations. Questions followed. Ms. Nowicki was thanked for her presentation.

Mr. John DeCoster, Trillion Aviation, presented background information and summarized on the estimate and final bid process numbers and adjustment of numbers. Questions and discussion followed. Dir. Rand moved to approve the Amendment #1 for Lease Agreement for Hangar 103 between MN State Colleges and Universities (MNSCU Lake Superior College (LSC) and Duluth Airport Authority in form contingent on Executive Director and Assistant City Attorney's review. Dir. Butler seconded. Motion carried.

Ms. Peterson spoke on the next two Items C and D, explaining the language change was the same as the previous sponsorship agreement from last month. Dir. Stromquist moved to approve the amended and restated sponsorship agreement between the Duluth Airport Authority and ALLETE, Inc. Dir. Rand seconded. Dir. Mullen abstained. Motion carried.

Dir. Mullen moved to approve the amended and restated sponsorship agreement between the Duluth Airport Authority and AtWater Group LLC. Dir. Rand seconded. Motion carried.

Mr. Peterson explained Item E will be removed, this is a FAA decision, no Board action is required.

Ms. Kaci Nowicki, SEH, presented background information and summarized on the process, response to comments, conclusion and steps for the Federal EA and State EAW at Sky Harbor Airport. Questions followed. Dir. Stromquist moved to approve the resolution approving a negative declaration on the need for a State Environmental Impact Statement based in the findings of fact and response to comments. Dir. Rand seconded. Motion carried.

NEW BUSINESS

Mr. Werner presented and updated on air service at Duluth International Airport. He detailed on historical and present industry review, comparisons, trends and the 2015 forecast. Pres. Lundstrom thanked Mr. Werner for his update and complimented the DAA staff for their hard work and perspective in the opportunities moving forward.

Ms. Peterson spoke on the steering committee and explained the steps and process to formalize the naming and revitalization of the terminal. Dir. Stewart moved to approve the naming of the Duluth International Airport terminal to the James L. Oberstar Terminal. Dir. Rand seconded. Motion carried. Pres. Lundstrom thanked the Monaco Foundation for their participation.

Mr. Peterson summarized on the on call agreement. Questions and discussion followed. Dir. Butler moved to approve the resolution for the on call agreement between Reynolds Smith & Hills and the Duluth Airport Authority. Dir. Rand seconded. Motion carried.

Mr. Werner recommended approval of the Cirrus ground lease estoppel. Ms. Joan Christensen, Assistant City Attorney detailed further on estoppels and additional provisions. Questions followed. Dir. Mullen moved to approve the ground lease estoppel and agreement related to Cirrus Design Corporation. Dir. Ross seconded. Motion carried.

Dir. Mullen moved to approve a memorandum of ground lease related to Monaco Air Duluth. Dir Butler seconded. Motion carried.

Dir. Stromquist moved to approve a landlord estoppel certificated related to Monaco Air Duluth. Dir. Ross seconded. Motion carried. Mr. Werner mentioned what a great stakeholder Monaco Air is and expressed his excitement in watching their project grow.

Mr. Peterson explained the Kraus-Anderson work order and recommended approval. Questions and comments followed. Dir. Butler moved to approve Kraus-Anderson Construction Company Work Order 2015-07 for Hangar 103 renovations project. Dir. Rand seconded. Motion carried.

Mr. Peterson, DAA, spoke on the bidding process for the Hangar 103 renovations. Mr. Mike Dosan, Kraus-Anderson, summarized on the project. Questions followed. Dir. Ross moved to award Work Scope 2.10 for Civil, Utilities, Fencing to Veit & Company, Inc. in the amount of \$46,000.00. Dir. Stromquist seconded. Motion carried.

Dir. Butler moved to award Work Scope 6.10 Rough Carpentry, Demo to Kraus-Anderson Construction Co. in the amount of \$198,075.00. Dir. Rand seconded. Motion carried.

Dir Mullen moved to award Work Scope 6.20 for Finish Carpentry to St. Germain's Cabinet in the amount of \$16,000. Dir. Butler seconded. Motion carried.

Dir. Stewart moved to award Work Scope 7.10 for Metal Wall Panel & Roofing Systems to the Jamar Company in the amount of \$230,395.00. Dir. Butler seconded. Motion carried.

Dir Ross moved to award Work Scope 8.10 for Doors, Frames, Hardware & Miscellaneous Specialties (materials only) to Northern Door & Hardware in the amount of \$45,190.00. Dir. Mullen seconded.

Dir. Butler moved to award Work Scope 8.20 for Aluminum Entrances & Storefronts, Windows, Glazing & Mirrors to St. Germain's Glass, Inc. in the amount of \$67,686.00. Dir. Stromquist seconded. Motion carried.

Dir. Butler moved to award Work Scope 9.10 for Metal Studs & Drywall to Quality Drywall & Plastering, Inc. in the amount of \$162,000.00. Dir. Mullen seconded. Motion carried.

Dir. Ross moved to award Work Scope 9.20 for Flooring to Johnson's Carpet & Tile in the amount of \$22,300.00. Dir. Stewart seconded. Motion carried.

Dir. Butler moved to award Work Scope 9.30 for Acoustical Ceilings to Sorlie Acoustics in the amount of \$52,846.00. Dir. Mullen seconded. Motion carried.

Dir. Rand moved to award Work Scope 9.40 for Painting & Floor Sealing to Steinbrecher Painting in the amount of \$130,100.00. Dir. Butler seconded. Motion carried.

Dir. Butler moved to award Work Scope 10.10 for Interior & Exterior Signage to Sign Source in the amount of \$10,370.00. Dir. Mullen seconded. Motion carried.

Dir. Rand moved to award Work Scope 21.10 for Fire Suppression to A.W. Kuettel in the amount of \$63,101.00. Dir. Butler seconded. Motion carried.

Dir. Mullen moved to award Work Scope 23.10 for Mechanical Systems to the Jamar Company in the amount of \$580,000.00. Dir. Stewart seconded. Motion carried.

Dir. Butler moved to award Work Scope 26.10 for Electrical Systems to Belknap Electric in the amount of \$470,616.00. Dir. Ross seconded. Motion carried.

Mr. Peterson gave a general overview on the Cirrus expansion and the utility easement process. Dir. Ross moved to approve the resolution authorizing the Executive Director to file a joint petition with the City of Duluth to vacate certain public rights-a-way within the plat of airport division. Dir. Stewart seconded. Motion carried.

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Pres. Lundstrom adjourned the March 17th DAA board meeting at 10:03 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 4-28-15