



DULUTH AIRPORT AUTHORITY

MINUTES OF THE MEETING

DATE: September 15, 2015

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

DIRECTORS PRESENT: Pat Mullen
Heather Rand
Sue Ross
Ken Butler
Richard Stewart
Anna Tanski

DIRECTORS ABSENT Ken Stromquist

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Joan Christensen, Assistant City Attorney
Blaine Peterson, Director of Operations
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Airport Facilities Manager
John DeCoster, Trillion Aviation
Mike Bown, Trillion Aviation
Brian Madsen, Sky Harbor Manager
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Scott Sannes, SEH
Kaci Nowicki, SEH
Darren Christopher, RS&H
Mike Magni, Monaco Air Duluth
Eric Monson, Lake Superior Helicopters
Dwight Morrison, CCNC
Jean Morrison, CCNC
Faye Topliff, CCNC
Ray McClelland, Property Owner

Vice President Mullen welcomed everyone and noted he would be presiding as Pres. Stromquist was out of town on business. He called the meeting to order at 8:00 a.m. He reminded people to sign in for the Opportunity to be Heard section, which is restricted to three minutes. Mr. Werner invited Ms. Linda Roe, Budget Car Rental, to the table; she has been with the airport for 21 years. He spoke on a recent situation where Ms. Roe handled an incident very efficiently and professionally. She helped customers from Texas go from a negative vacation experience into a positive one. He presented her with a customer service certificate. Mr. Werner also expressed

appreciation to Mr. Ryan Welch, Airport Facilities Manager, for all his professionalism and hard work in improving the FAA Air Traffic Control Tower building and work environment. Positive feedback from the FAA Regional Director and Tower employees who praised Mr. Welch and were very appreciative of the work.

EXECUTIVE DIRECTOR'S REVIEW

- Similar passenger numbers with air service down 14%, Delta down 10%, United has a modest 6% growth and Allegiant continually down due to their pull out. Spoke on very positive meetings with Sky West and Allegiant Airlines keeping growth opportunities open. Proposal sent to Public Charter for possible service to Milwaukee and touched on Air Canada international opportunity. Mr. Werner introduced and gave background information on Mr. Mike Bown, Trillion Aviation to update on the state of air service in Duluth. Mr. Bown presented on the industry, benchmarking, forecasts and overview for the Duluth air service. Duluth is positioned well, but with challenges in the industry. Questions and discussion followed. Mr. Bown was thanked for his presentation.
- Airfield operations and development: Mr. Blaine Peterson, Director of Operations; Airside Runway 9/27 project will be discussed in further detail later in this meeting; Landside – FBO/General Aviation Facility going well and updated on timeline; Hangar 103 complete, small issues being finalized, positive feedback from LSC. Business Development – Mr. Werner spoke on the Air Cargo Study, progressing nicely, should present findings and opportunities at this airport at the October meeting; Mr. John DeCoster, Trillion Aviation, updated on Cirrus and Building 311, working through several issues; Commercial vehicle policy implementation, enforcement is key element, will be working on a RFP for a new parking management program and timeline process. Sky Harbor -- Mr. DeCoster updated on new business plan implementation. Mr. Peterson updated on the apron rehabilitation project, on schedule.
- Ms. Joelle Bodin, Director of Finance and Administration, briefed on the accounting software initiative, moving forward, budget preparation is helping with implementation plans. Mr. Werner highlighted on 2016 budget items; Ms. Bodin detailed further on areas and presented the budget assumptions. Ms. Bodin was thanked for her update.
- Ms. Natalie Peterson, Director of Marketing & Communications, briefed on the James Oberstar naming process, the unveiling date is October 30th, 4:00 p.m., working on invites, a big thanks to all for their efforts. She spoke on the support for the Bentleyville project with the candy bar sales, providing four United tickets and hotel package to Chicago, there will also be a DAA Bentleyville night; Art policy and procedures should be in front of the Board next month.
- Mr. Werner briefed on legislative items – last week State Commissioners toured the airfield, project sites, received airport presentations and were asked for their support for the bonding request, received very well, next week the House Bonding committee will receive same tour and proposal; today meeting with Senate Capital Investment Committee with same request.

Mr. Werner thanked SEH and Dir. Rand for their support and roles in these important informational tours and requests.

- Presentation to the Metropolitan Interstate Commission, well received and a great opportunity to promote the airport.

Questions and discussion followed on several of the Executive Directors review items. Dir. Butler moved to approve the August 18th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #16, and #17, 2015.

Letters from DAA to residents regarding DAA Master Plan and notice concerns.

Memo from Minnesota Council of Airports (MCOA) announcing due to unresolved issues extending timeline for evaluating Minnesota's Airport zoning standard to next year's legislative session.

Letter from DAA to Legislators providing information and requesting support for the center for aviation growth at Duluth area airport.

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

Duluth International news: Fox 21 "Sky Harbor Airport Receives \$111,285 Grant".

OPPORTUNITY FOR PERSONS TO BE HEARD

Vice Pres. Mullen explained there were two speakers signed up for this section and invited Mr. Dwight Morrison to speak on noise and safety. Mr. Morrison spoke on the letter he sent and his concerns on planning ahead with future runway projects for the environmental impacts of noise and safety. Vice Pres. Mullen expressed his appreciation for his letter and public input. He invited Ms. Faye Topliff to speak on noise and safety control. Ms. Topliff mentioned she had received the DAA response to her letter and addressed her concerns on the 148th F-16 afterburner noise impacts. She agreed with Mr. Morrison on planning ahead with their concerns for future runway project plans, so no mistakes will be made. Vice Pres. Mullen thanked her for her comments. Mr. Werner commented on the Master Plan process, which is compliant with the elements outlined by FAA and MnDOT. He touched on the FAA National Environmental Policy Act (NEPA) review processes that are required in advance of projects. DAA will comply with these reviews on future projects as they have done in the past. He expressed DAA's commitment to meet with Ms. Topliff and Mr. Morrison to address their concerns and help facilitate meetings or share concerns with the Tower or 148th if needed. The Board thanked Mr. Morrison and Ms. Topliff for their comments.

OLD BUSINESS

Mr. Werner presented background information and updates on the Duluth Airport Authority ten

year capital plan for jobs and infrastructure preservation and enhancement. Ms. Benita Crow, SEH, summarized and presented on specifics for the bond request for Sky Harbor and DLH. Questions and discussion followed. Mr. Werner recommended approval. Dir. Butler moved to approve the resolution to approve the Duluth Airport Authority State Bond request for infrastructure improvements at Duluth International and Sky Harbor Airports in the amount of \$5,273,820. Dir. Stewart seconded. Motion carried.

NEW BUSINESS

Ms. Bodin explained the City loan agreement. Questions and discussion followed. Dir. Ross moved to approve the resolution for the loan agreement between the City of Duluth and the Duluth Airport Authority relating to \$2,910,000 taxable general obligation airport improvement series 2015C. Dir. Rand seconded. Motion carried.

Ms. Peterson spoke on the media relations operating policy. Questions and discussion followed. Dir. Rand moved to approve the DAA Operating Policy #26 – Media Relations Policy and Guidelines. Dir. Ross seconded. Motion carried. Vice Pres. Mullen recommended an updated list of all DAA policies and procedures for the Board members.

Mr. DeCoster gave background information and spoke on the Sky Harbor land leases. Dir. Butler moved to approve the Sky Harbor Hangar #6 land lease agreement between the Duluth Airport Authority and Donald Macor. Dir. Tanski seconded. Motion carried.

Dir. Ross moved to approve the Sky Harbor Hangar #4 land lease agreement between the Duluth Airport Authority and Jon Messerer. Dir. Stewart seconded. Motion carried.

Mr. DeCoster spoke on the Sky Harbor's operator agreement. Questions followed. Dir. Butler moved to approve the Sky Harbor operator's agreement between the Duluth Airport Authority and Jonathon Aero. Dir. Stewart seconded. Motion carried.

Mr. DeCoster explained the terminal office lease. Questions followed. Dir. Butler moved to approve the terminal office lease agreement between the Duluth Airport Authority and SEH. Dir. Rand seconded. Motion carried.

Mr. Peterson spoke on the SEH work order for the Runway 9/27 reconstruction and recommended approval. Dir. Butler moved to approve SEH Work Order #6 for construction administration, observation, and closeout services for the DLH Runway 9/27 Reconstruction Project. Dir. Tanski seconded. Motion carried.

Mr. Peterson overviewed on the contract for the 9/27 runway reconstruction project. Questions followed. Dir. Ross moved to award a contract to PCI Roads in the amount of \$11,459,771.96 for the Duluth International Runway 9/27 reconstruction project. Work scope includes reconstruction of the center 6,100 feet of Runway 9/27 and associated in-pavement lighting. Dir. Stewart seconded. Motioned carried.

Mr. Peterson spoke on the contract for the Taxiway C rehabilitation project. Dir. Butler moved to award bid alternate #2 contract to PCI Roads in the amount of \$145,935.72 for the Duluth International Runway Taxiway C rehabilitation for the Duluth International Runway 9/27 reconstruction project contingent upon receiving the State grant. Work scope includes rehabilitation of portions of Taxiway C in preparation for increased aircraft traffic during Runway 9/27 closure. Dir. Rand seconded. Motion carried.

Vice Pres. Mullen congratulated Dir. Butler for being named in DNT Biz Buzz 2015 MN Super Lawyer for the 2nd year in a row.

Dir. Ross moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Vice Pres. Mullen adjourned the September 15th DAA board meeting at 9:54 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  _____

DATE: 10-20-15