



MINUTES OF THE MEETING

DATE: August 18, 2015

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

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

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
Brian Madsen, Sky Harbor Manager
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Scott Sannes, SEH
Darren Christopher, RS&H
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Cassandra Isackson, MnDOT Aeronautics
Jenni Swenson, LSC
Mike Seymour LSC
Sandy Hoff, LSH
Dwight Morrison, CCNC
Jean Morrison, CCNC
Faye Topliff, CCNC
Ray McClelland, Property Owner

President Stromquist welcomed everyone and called the meeting to order at 8:01 a.m. He introduced and welcomed the newest Board member, Dir. Anna Tanski, President of Visit Duluth. He reminded people to sign in for the Opportunity to be Heard section, which is restricted to three minutes. Pres. Stromquist invited Mr. Tom Werner, Executive Director, to present on the Executive Director review.

EXECUTIVE DIRECTOR'S REVIEW

- Passenger numbers continue to reflect the steady decrease due to Allegiant's pull out, year to date down 14.4%, 10% decrease July to July, with Delta and United numbers level. On the prospect front the primary focus is Public Charter, should be talking in the near future. Plan to work on Air Canada's model this fall and will continue dialog.
- Airfield operations and development: Airside -- Mr. Blaine Peterson, Director of Operations, replies will be going out this week to several citizens who presented correspondence on their concerns on airport noise. Runway 9/27 project -- pre-bid meeting last week, next steps and potential for a Special Meeting to approve funding for the project. Mr. Werner briefed on the AAR meeting in Montreal last month with the maintenance group, very positive meeting. Scheduling a meeting in Toronto with the senior pilots. Mr. Peterson continued on with Landside -- General Aviation Facility moving along and timeline; Hangar 103 moving forward, school starts August 24th; Cirrus completion center plans going well and next steps. Mr. John DeCoster, Trillion Aviation, updated on business development items -- background and current updates on Cirrus and Building 311; Civil Air Patrol and the 911 Building; Commemorative Air Force (CAF) long term needs; Delta Global ground handling operating agreement, moving forward; Quick Turn Around Facility (QTA) for rental car agencies, have found an interested third party source; establishing a commercial vehicle enforcement policy, a parking management RFP should be going out in the next several months and summarized on the structure process. Sky Harbor -- Mr. Peterson spoke on the ramp rehabilitation process and timeline.
- Ms. Joelle Bodin, Director of Finance and Administration, spoke on the financial impact with Allegiants pull out and explained several income and expense adjustments. Mr. Werner detailed further, highlighting despite losses by the end of the year there are several grant closeouts and the DAA cash position will be improved. Ms. Bodin gave the timeline for the 2016 budget presentation and approval; she briefed on the accounting software, issues being addressed and moving forward.
- Ms. Natalie Peterson, Director of Marketing & Communications, presented and overviewed on the new DAA website which launched on August 3rd. She briefed on the newly branded customer service initiative "Above and Beyond", marketing strategy, the banner ads to drive traffic and touched on the analytics; the fund raising goal for the James Oberstar naming process has been reached, working on timeline for the unveiling date. She thanked the Steering Committee and the Monaco Air Foundation for all their efforts. Mr. Werner mentioned there will be a different strategy for the future front entrance sign. Ms. Peterson spoke on other marketing initiatives, Bentleyville project and development of art and media relations policies. Ms. Peterson was thanked for her wonderful job in these marketing efforts.
- Mr. Werner briefed on the legislative items -- updated bonding requests for DLH and Sky Harbor airport infrastructure improvements. Senate and House Bonding committee project site visits and tours are planned for September.

Questions and discussion followed on several of the Executive Directors review items. Dir. Rand recommended adding the word "plans" under the Executive Review concerning the Cirrus completion center project. Dir. Mullen moved to approve the July 21st meeting minutes with the recommended edit change and other consent items below. Dir. Butler seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #14, and #15A, 2015. Construction fund sheet #8, 2015.

Letter from DAA to Mr. Ray McClelland regarding land parcel numbers 010-2710-01770 and 010-2710-01772.

Fortune News Release "Airlines will Drop to Record Lows this Fall".

Duluth International news "2015 DAA news release "Board of Directors Appointee"; Fox 21 Online "St. Louis Co. Board Moves Forward with Plans to Help with Airport Renaming Project"; DNT news release "Has Duluth Lost Nonstop Flights to Detroit?"; Fox 21 "Duluth Airport Faring Well By Comparison" and WDIO "Airport Director: Despite Setbacks, Outlook Positive for Duluth".

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

Letter from DAA to Bemidji-Beltrami County Airport regarding repayment of Airport Improvements Program (AIP) entitlement loan.

United Airlines news release "United Airlines Launches 'United Ground Express' Ground Handling Service".

OPPORTUNITY FOR PERSONS TO BE HEARD

Pres. Stromquist stated there were two individuals signed up for this section and invited Ms. Faye Topliff to speak on noise abatement. Ms. Topliff mentioned it was hard for the public to hear these proceedings and consideration for microphones would be appreciated. Mr. Peterson assured her the DAA was in the process for technology updates. She gave background information on the Citizen Committee for Noise Control (CCNC) and the Noise Abatement Committee. She spoke on concerns if an environmental impact study has been considered with the future runway project plans. Mr. Werner thanked Ms. Topliff and summarized on the required FAA environmental processes and timeline for these projects. He expressed DAA's commitment for public information on these matters.

Mr. Ray McClelland, property owner, spoke on his property located on Rice Lake Road and expressed his concern with zoning issues. Mr. Werner summarized on exploring the issues and the letter of agreement with the City to research the environmental process. The Board thanked Mr. McClelland for his comments and assured him that DAA will research his concerns.

OLD BUSINESS

No Old Business.

NEW BUSINESS

Mr. DeCoster briefed on background information concerning the Sky Harbor business plan and recommended approval. Dir. Butler moved to approve the resolution for the Sky Harbor short-term agreement between the Duluth Airport Authority and John Justad. Dir. Stewart seconded. Motion carried.

Mr. Werner explained that the Lake Superior College's (LSC) Center for Advanced Aviation is close to their opening, and thought it was a good opportunity for a presentation. Pres. Stromquist invited Mr. Mike Seymour, Vice President of Academic and Student Affairs, to the table. Mr. Seymour gave background information and presented on the sustainable business model for the aviation center. Ms. Jennie Swenson, Dean of Business & Industry, spoke on the Aviation Mechanic and Pilot programs plus future avionic programs to support the aviation sector in our community. She expressed her excitement and looking forward to having the programs start this fall. Mr. Seymour and Ms. Swenson were thanked for the presentation.

Dir. Mullen left the meeting at 9:36 a.m.

Mr. Werner introduced Ms. Cassandra Isackson, Mn/DOT Aviation Aeronautics Director. Ms. Isackson detailed on the scope of Minnesota aviation roles and funding. She spoke on the State Aviation System Plan, education, zoning, and promotion of aviation projects. She summarized on State and Federal funding plus future plans. Discussion followed. Ms. Isackson was thanked for her very informative presentation.

Dir. Butler moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Pres. Stromquist adjourned the August 18th DAA board meeting at 10:08 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Patrick K. Mullen

DATE: 9-15-15