MINUTES OF THE MEETING

DATE: June 20, 2017

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

DIRECTORS PRESENT:
Pat Mullen
Ken Butler
Anna Tanski
Sue Ross
Richard Stewart
Todd Fedora
Craig Fellman

OTHERS PRESENT:
Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
John DeCoster, Trillion Aviation
Blaine Peterson, Director of Operations
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Terminal Facilities Manager
Brian Madsen, Sky Harbor Manager
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Steve Wabrowetz, Airside Manager
Paul Sinnott, DAA
Wade Cossalter, DAA
Benita Crow, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Eric Monson, Lake Superior Helicopters
Mark Ketterer, AAR
Charles Souza, AAR
Andy Samberg RS&H
Jerry Simonson, Hertz
Bill Hines, PCI
Dwight Morrison, CCEC
Faye Topliff, CCEC

President Mullen welcomed everyone and called the meeting to order at 8:00 a.m. He reminded people to sign in for the Opportunity to be Heard section and mentioned the last resolution on this agenda will be regarding the 9/27 reconstruction project, the public will be allowed an

additional three minutes at that time to engage in the conversation. Mr. Tom Werner, Executive Director, presented on the Executive review.

Dir. Tanski arrived at 8:03 a.m.

Mr. Werner recognized Dir. Sue Ross. During her six-year tenure, she has experienced many changes. He thanked Dir. Ross for her contributions and leadership in moving this organization forward. Pres. Mullen conveyed his appreciation for her counsel and experience. Dir. Ross expressed her pleasure on serving and working with everyone on this Board -- the DAA staff has incredible passion and commitment.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Year to date (YTD) passenger numbers – decrease 1.7%, – May 2017 compared to 2016 decrease 1.5%, Delta YTD decreased by 6%. United had another strong month with an increase of 6.9%. He updated on first quarter numbers -- very decent. Apple Travel – the marketing package meeting scheduled with travel agents will be this week. Allegiant/Mesa attraction strategy with Visit Duluth – good momentum, reviewing draft grant application and soliciting local share. Jump Start Conference – reviewed on meetings with six airlines, very productive conversation and meetings.
- Airfield operations and development:
  * Airside: Mr. Blaine Peterson, Director of Operations, spoke on the ANG environmental cleanup and land lease – land lease is being reviewed by ANG in WA, should be hearing back soon; environmental cleanup is moving forward slowly, questions followed. Recapped on Air Show – still running through crowd numbers, rough estimate 50, 000; a very good show.
  * Business Development: Mr. John DeCoster, Trillion Aviation, spoke on the multi-model shuttle concept – a Business Development Subcommittee meeting will be held tomorrow, will be presenting a baseline plan concept, questions followed. Lake Superior Helicopter (LSH) spoke on meeting last month and summarized on lease in packet, questions followed. Fed Ex development – proceeding with construction, should be complete this year. Oakwells/Arrowhead Taphouse – a meeting was held regarding opportunities to grow, they have developed an app base program to order online, finalizing testing at this time.
  * Sky Harbor – Mr. Werner overviewed the Sky Harbor Minimum Standards, this will be presented at the Business Development Subcommittee meeting scheduled for tomorrow.
  * Trillion Aviation – Mr. Werner spoke on the strong relationship with Trillion Aviation and announced Mr. DeCoster will be semi retiring – working on a phased transition plan.
- Marketing Update: Ms. Natalie Peterson, Director of Marketing & Communications, updated on the local Mesa/Phoenix marketing strategy, Dir. Tanski detailed on the Visit Duluth/Visit Mesa marketing approach.

- Legislative update: Mr. Werner spoke on the MnDOT capital funding – have had productive meetings; briefed on the State wide zoning reform.
- Presentations: Ms. Benita Crow, SEH, and Dir. Stewart spoke on the Metropolitan Interstate Commission Harbor Technical Advisor Committee meeting,
- Other: Mr. Werner thanked the Board for their response on board retreat topics, will be working on agenda. Future open board seat – Mr. Werner and Pres. Mullen spoke on the open board seat, please pass on any interested candidate information.

Questions and discussion followed on several of the Executive Director's review items. Dir. Tanski moved to approve the April 12th Marketing Subcommittee, May 16th meeting minutes and other consent items. Dir. Butler seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #10, and #11 and Construction Fund sheet #5, 2017.
Joint Letter from DAA, Rochester International Airport and Greater St. Cloud Development to Representative Daudt, Representative Peppin, Representative Hortman, Senator Gazelka, Senator Bakk, and Governor Dayton urging passage of the Transportation Finance Bill.
Letter from Minnesota Council of Airports (MCOA) to Representative Daudt with concerns regarding the Real ID Bill and letters to Senator Newman and Representative Torkelson to lend MCOA's support to the aviation portion of the Omnibus Transportation Bill.
Reply letter from DAA to Citizens Committee for Environmental Concerns (CCEC) regarding their concerns from the 1997 FAA Noise Study.
Request letter from DAA to IRRRB for support for the Transportation Small Community Air Service Development (SCASD) Grant.
DAA news release "Duluth International Airport to Receive New Advanced Imaging Technology Screener at TSA Checkpoint.
E-Mail from Monaco Air Foundation with summary of May 2017 activities.
Letter from DAA to DNT informing that the data information request is complete.
Thank you letter from Duluth Air and Aviation Expo to DAA for partnership and support.
Link for Metropolitan Airports Commission (MAC) Commission Minutes – https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx.

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Dwight Morrison, Citizens Committee for Environmental Concerns (CCEC), was invited to speak to the Board. He thanked the DAA for forwarding to him the digital form of the past noise study and summarized on the letter he had submitted regarding improvements to the future study -- very valuable to have public involvement and participation. He also questioned what would be done different with this new study. Mr. Morrison was thanked for his comments.

Ms. Faye Topliff, CCEC, had no comment -- she had dropped off information for the Board to view.

Mr. Mark Ketterer, AAR, will speak during the 9/27 reconstruction portion of this meeting.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Peterson summarized and gave background information on the Military Construction Agreement. He recommended approval. Questions followed. Dir. Fedora moved to approve the resolution to approve the Military Construction Cooperative Agreement (MCCA) No. W912LM-17-2-2007 for repair gate 5 PN FMKM162022 between the Duluth Airport Authority and the National Guard Bureau. Dir. Stewart seconded. Motion carried.

Mr. Peterson reviewed the process and timeline for Phase 2 of the fence improvements. Dir. Fedora moved to approve the resolution for the agreement for airfield fence improvements – Phase 2 between the Duluth Airport Authority and Century Fence Company. Dir. Stewart seconded. Motion carried.

Mr. Peterson spoke on the SEH work order. Questions followed. Dir. Tanski moved to approve the resolution for the SEH work order #2017-6 construction administration, observation and closeout for airfield fence improvements – Phase 2 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH). Dir. Stewart seconded. Motion carried.

Mr. Peterson spoke on the process for the Sky Harbor runway alignment and recommended approval. Dir. Tanski moved to approve the resolution for the agreement for Sky Harbor Airport (DYT) runway realignment – Phase 1 between the Duluth Airport Authority and Northland Constructors of Duluth, LLC. Dir. Fellman seconded. Motion carried.

Mr. Werner announced the DAA staff proposes the August Board meeting be held at the Sky Harbor Airport before the start of the Sky Harbor project.

Mr. Peterson detailed on the SEH work order and spoke on the independent review. He recommended approval. Dir. Butler moved to approve the resolution for the SEH work order #2017-7 for Sky Harbor Airport (DYT) construction administration, observation and closeout for mitigation monitoring (3-year period) 2017 runway realignment – Phase 1 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH). Dir. Fedora seconded. Motion carried.

Mr. DeCoster summarized on the operator agreement and space lease. Questions and discussion followed. Dir. Fedora moved to approve the resolution for the operator agreement and office space lease between the Duluth Airport Authority and Lake Superior Helicopters, LLC. Dir. Fellman seconded. Motion carried.

Mr. DeCoster detailed and spoke on the requests for the consent to assignment and recommended approval. Questions followed. Dir. Butler moved to approve the consent to assignment and agreement hangar land lease with Sam Deluca, dated October 20, 2015, covering Hangar 2 at Sky Harbor Airport between the Duluth Airport Authority and Bradford Smith. Dir. Tanski seconded. Motion carried.

Mr. DeCoster reviewed the hangar space lease. Dir. Fedora moved to approve the resolution for the Sky Harbor hangar space lease agreement between the Duluth Airport Authority and Collin Hillman. Dir. Tanski seconded. Motion carried.

Mr. DeCoster gave background information and explained the float storage land lease. Dir. Stewart moved to approve the resolution for the Sky Harbor float storage land lease agreement between the Duluth Airport Authority and Jonathan Aero. Dir. Tanski seconded. Motion carried.

Ms. Bodin detailed on the reasoning for removal of the operating policy for family medical leave and recommended approval. Questions followed. Dir. Ross moved to approve the resolution for the deletion/removal of the Duluth Airport Authority Operating Policy #8, Family Medical Leave. Dir. Butler seconded. Motion carried.

Pres. Mullen spoke on the past process for election of officers and reviewed on the Executive Committee's discussion on these past processes and leadership opportunities. The Executive Committee's recommendation for the slate of officers at this time are – President, Ken Butler, Vice President, Anna Tanski and Interim Secretary, Pat Mullen. Further discussion for a more efficient process for leadership will happen within the next several months. Dir. Fedora moved to approve the slate of officers – President, Ken Butler, Vice President, Anna Tanski and Interim Secretary, Pat Mullen. Dir. Stewart seconded. Motion carried.

Pres. Mullen reviewed on the planned outline for the Runway 9/27 reconstruction project discussion and resolution process. Mr. Werner briefed and Ms. Benita Crow, SEH, recapped on Runway 9/27 reconstruction project scheduling, the options (pros and cons) and timeline of phases. Questions followed.

Mr. Mark Ketterer, AAR was invited to speak. He overviewed on AAR's transition plan process and timeline. He spoke on several issues and offered suggestions for the options. Questions followed. Mr. Ketterer was thanked for all his hard work in this process. Mr. Don Monaco, Monaco Air Duluth and Mr. Bill Hines, PCI spoke on possible concerns. Questions and discussions followed. Board discussion was opened. Mr. Werner summarized on the resolution. Questions followed. Dir. Fedora noted the language of the start date in this resolution, Mr. Werner detailed further. Discussion followed. Dir. Butler moved to approve the resolution directing Executive Director and as his designees to negotiate with and tentatively agree upon change orders to the Runway 9/27 reconstruction project Phase 1 and Phase 2 contracts with PCI Roads, LLC. Dir. Tanski seconded. Motion carried. Pres. Mullen thanked everyone for this discussion.

Dir. Tanski moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Pres. Mullen adjourned the June 20th DAA Board meeting at 10:11 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 7/18/17