



## MINUTES OF THE MEETING

DATE: February 16, 2016

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

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

DIRECTORS ABSENT: Pat Mullen

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  
Brian Madsen, Sky Harbor Manager  
Jana Kayser, Part Time Bookkeeper  
Benita Crow, SEH  
Kaci Nowicki, SEH  
Don Monaco, Monaco Air Duluth  
Darren Christopher, RS&H  
Candace Renalls, DNT

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

### EXECUTIVE DIRECTOR'S REVIEW

- Air service is down with year to date air service total passenger numbers decreased by 16%, January numbers decreased by 15%, Delta decrease of 4.4% and United decrease of 1.8%.
- Airfield operations and development: Mr. Blaine Peterson, Director of Operations, Airside -- spoke on the Engineer Design Report for Phase one and two -- progressing well; Runway 9/27 center section reconstruction upcoming milestones and timeline,

Mr. Werner detailed further on meetings and discussions regarding AAR concerns with reconstruction, more will follow; Mr. Peterson continued with air show amendment extension and discussions on updated contract language. Landside – presented pictures of the Fixed Base Operations/General Aviation Facility remodel, very exciting project and first class facility, should be moving in early March. Business Development -- Mr. Werner spoke on the discussions with Cirrus on the long term extensions for Hangars 7/8 and 9/10 leases; potential new prospect tenant for the terminal, more information to come; Verizon cell antenna discussions. Sky Harbor -- Hangar #11 lot discussions progress and Hangar #10 potential purchase agreement connected with Hangar #11.

- Financial: Ms. Joelle Bodin, Director of Finance and Administration, spoke on the new NetSuite accounting financial reports, Mr. Werner detailed further.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, updated on the St. Louis County and Duluth Days at the Capitol, pretty much finalized; working on branding and customer service initiatives.

Questions and discussion followed on several of the Executive Director's review items. Pres. Stromquist called attention to Item H, the Monaco Air Foundation monthly report; he expressed his appreciation to the Foundation for all their valuable air service efforts. Dir. Ross moved to approve the January 19th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

#### CONSENT ITEMS

Cash disbursement sheets #1, and #2, 2016. Construction fund sheet #2, 2016.

Letter from Republic Parking to DAA regarding sales transaction.

Duluth International News: DNT news releases – “Photo of the Day”, “Taxis, Shuttles Face Changing Duluth International Airport Fees” and “Our View: Travelers Win In Airport-Taxi Deal”.

City of Duluth and Duluth Airport Authority application for petition to vacate street, alley or utility easement.

E-Mail updates from DAA to Commercial Vehicle Policy Stakeholder group regarding the 2016 DAA Commercial vehicle Policy.

Letter of understanding from Office of the State Auditor to DAA regarding annual audit and copy of letter from Duluth Chief Financial Officer to State Auditor requesting the annual audit of DAA for the year ending December 31, 2015

Letter to DAA Assistant City Attorney from Hanft Fride regarding Cirrus Aircraft/Asbestos Abatement and other pollution at lease site.

Letter from Duluth Public Works and Utilities to DAA regarding qualifying grant.

E-mail from Monaco Air Foundation with summary of January 2016 activities.

Update letter from DAA to property owner regarding status of the environmental review of parcels.

OPPORTUNITY FOR PERSONS TO BE HEARD

None

OLD BUSINESS

Pres. Stromquist summarized on the discussion on the Executive Director 2016 work plan and the remodeled. The 360 review will not be in the work plan. Dir. Tanski moved approve the DAA Executive Director's 2016 work plan. Dir. Butler seconded. Motion carried.

NEW BUSINESS

Mr. Werner explained the assignment and assumption of the parking agreement and recommended approval. Questions and discussion followed Staff will reach out and contact the new company. Dir. Rand moved to approve the resolution to approve the assignment and assumption of the airport parking operation agreement between the Duluth Airport Authority and Republic Parking to Imperial Parking, LLC. Dir. Butler seconded. Motion carried.

Mr. Werner spoke on the consent assignment concerning Hertz, this resolution is similar to Item A and staff will reach out to new company. Dir. Stewart moved to approve the resolution consenting to the assignment of the vehicle rental lease and concession agreement by Hansen Lease and Rental, Inc. and Hansen Lease and Rental of Fargo, Inc. (as assignor) to Overland West, Inc. (as assignee) contingent upon City Attorney's approval of assignment and assumption of the contract. Dir. Tanski seconded. Motion carried.

Mr. Werner gave background information on the Sky Harbor operator agreement and recommended approval. Questions followed. Dir. Butler moved to approve the resolution for the Sky Harbor operator agreement between the Duluth Airport Authority and Mr. Tom Sullivan. Dir. Rand seconded. Motion carried.

Mr. Werner explained the Sky Harbor hangar amendment. Dir. Butler moved to approve the resolution for an amendment to Sky Harbor Hangar #3 land lease between the Duluth Airport Authority and Mr. Jon Messerer and Mr. William Bellamy. Dir. Stewart seconded. Motion carried.

Mr. Werner summarized on the ground handlers third party contract. Ms. Christensen mentioned in the summary statement recommendation for the authority of the Executive Director to execute agreement. Detailed discussion and questions followed. Due to questions on this item Dir. Stewart moved to table Item E. Dir. Rand seconded. Motion carried.

Ms. Bodin explained the maintenance and operations agreement for Duluth International Airport and Sky Harbor Airport. Mr. Werner detailed further. Dir. Butler moved to approve the resolution to accept and approve the State Airport Maintenance and Operations Agreement #1000971 for fiscal years A6901-M016 and A6901-M017 for the Duluth International Airport in the amount of \$196,335 per year not to exceed \$392,670 and to authorize the Authority's President and Secretary to execute the grant agreement. Dir. Rand seconded. Motion carried.

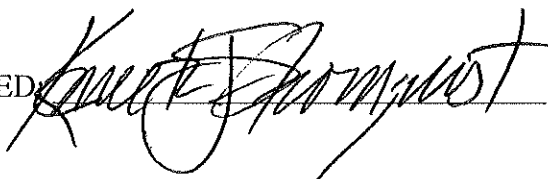
Dir. Butler moved to approve the resolution to accept and approve the State Airport Maintenance and Operations Agreement #1000972 for fiscal years A6901A-M016 and A6901A-M017 for the Duluth Sky Harbor Airport in the amount of \$20,373 per year not to exceed \$40,746 and to authorize the Authority's President and Secretary to execute the grant agreement. Dir. Tanski seconded. Motion carried.

Pres. Stromquist introduced the add in resolution. Ms. Peterson briefed on the advertising agreement. Dir. Butler moved to approve the resolution for a license agreement for the display of advertising between the Duluth Airport Authority and Maurics Incorporated. Dir. Rand seconded. Dir. Ross did not participate in the discussion and abstained from the vote. Motion carried.

Dir. Butler moved to adjourn the February 16<sup>th</sup> meeting. Dir. Stewart seconded. Motion carried. Pres. Stromquist adjourned the January DAA board meeting at 8:48 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

APPROVED:  DATE: 3-15-16