



MINUTES OF THE MEETING

DATE: September 20, 2016

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

DIRECTORS PRESENT: Ken Butler
Sue Ross
Anna Tanski
Todd Fedora

DIRECTORS ABSENT: Pat Mullen
Richard Stewart

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Joan Christensen, Assistant City Attorney
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Airport Facilities Manager
Brian Madsen, Sky Harbor Manager
John DeCoster, Trillion Aviation
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Don Monaco, Monaco Air Duluth
Mark Ketterer, AAR
Adam Fulton, City of Duluth
Keith Hamre, City of Duluth
Ray McClelland, Property Owner

Vice President Butler welcomed everyone and called the meeting to order at 8:02 a.m. He will be presiding as Pres. Mullen is out of town. He explained the regular agenda will be altered to accommodate the City of Duluth presenters, Old Business Item A will be moved to the front of this meeting. He introduced Mr. Keith Hamre and Mr. Adam Fulton, City of Duluth Community Planning Division, to present on the comprehensive plan. Mr. Hamre and Mr. Fulton spoke on the comprehensive plan – Imagine Duluth 2035 Forward Together and invited everyone to the kick off celebration tomorrow evening. They gave background information and detailed on the guiding principles, focus groups and timelines. Questions and comments followed. Handouts were presented and everyone was asked to complete the Imagine Duluth survey to help with this process. Mr. Hamre and Mr. Fulton were thanked for their presentation.

Vice Pres. Butler returned to the regular agenda and invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Continues on similar trend -- year to date numbers decreased by 9.5%, Delta is down by 4.5 and United increased .3%; Sun Country Charters is evaluating proposal for the Reno/Tahoe area; presented basic timeline for the Allegiant Phoenix/Mesa attraction strategy.
- Airfield operations and development:
 - * Airside: Mr. Werner briefed on Runway 9/27 Reconstruction Phase 1-B and Phase 2, construction dates are locked in and a meeting is scheduled with AAR; FAA ILS reconstruction project is happening now, 60 day process; FAA Part 139 certification inspection was last month, received zero deficiencies, expressed big thanks to Mr. Blaine Peterson, Director of Operations, and his team for the great job.
 - * Landside: Cirrus completion center project is moving along scheduled to be complete mid-October; will be going out for a RFP for the Terminal cleaning and maintenance contract in November.
 - * Business Development: Mr. Werner detailed on the acquisition of property for Mr. Ray McClelland, spoke on research and timeline, Mr. McClelland acquired the land in 1991, the 1988 Zoning Ordinance was in place, staff has determined there is no regulatory taking claim, offer has been made, process continues; winter testing facility, have had a number of discussions on strategies for a sustainable deal for all, Mr. Don Monaco detailed further. Mr. John DeCoster, Trillion Aviation, presented background information on the parking management contract, pre-bid this morning, proposals due end of month and recommendation for approval at November meeting; FedEx development – working on terms and conditions, all issues are solvable, arranging meeting to work on this process; Air National Guard land lease -- have had meetings, working on language for new lease agreement while land is being remediated.
 - * Sky Harbor: Mr. DeCoster explained on the Hangar 11 Amendment issue, will be bringing this back to the Board in the future.
- Financial: Ms. Joelle Bodin, Director of Finance & Administration, summarized on the rates and charges and the 2017 budget assumptions, Mr. Werner detailed further; these items will be put before the Board for approval next month. Have met with the collective bargaining unit for contract negotiations, going well.
- Legislative Update: Mr. Werner commented on the capital funding request, still waiting to hear if there will be a special session and if not, alternative plan; MnDOT appropriation, outlined the MCOA letter in packet; State zoning reform, a successful meeting with MnDOT representatives, moving forward.

- The next Northern Aero Alliance meeting is tomorrow at the Cirrus Training Center.
- Other Items: Updated on the proposed Board committee structures to guide and advice staff, should have potential By-Law changes next month to address this process; spoke on the vacated Director's position, this Board has diverse expertise and knowledge, asked for any recommendations, will be meeting with the Mayor for potential candidate.

Questions and discussion followed on several of the Executive Director's review items. Dir. Ross moved to approve the August 16th meeting minutes, July 28th, July 29th Air Service Review Session minutes and other consent items below. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #16 and #17, 2016 and Construction Fund Sheet #7, 2016.

Notice letter from AAR to DAA regarding the 2017 Runway 9/27 reconstruction plan.

Letter from DAA to Mr. Ray McClelland regarding written purchase offer for St. Louis County Parcels 010-2710-01770 and 101-2710-01772.

Letter from DAA to Citizens Committee for Environment concerns addressing questions raised at the August 16, 2016 board meeting.

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

Copy of letter from Minnesota Council of Airports (MCOA) to MnDOT providing input into the funding rate structure proposed for fiscal Year 2018 and 2019.

Copy of letter from MCOA to MnDOT regarding State Zoning Reform.

Thank you letter from the Transportation and Logistics Research Center at UWS for supporting the 2016 Aeronautics and Space Camp for Girls.

July 2016 financial report, August 2016 accounts receivables and airline statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Ray McClelland was welcomed and invited to speak to the Board. Mr. McClelland expressed the offer for his property was low and did not cover his investment. He requested copies of the initial Zoning public minutes, when it was first put together, with list of people attending. He would also like any correspondence from Attorney Bob Eaton and Mr. Klosowski mentioning his property. Questions and comments followed. Vice Pres. Butler referred his request for documentation to legal counsel. Mr. McClelland presented his written request.

OLD BUSINESS

Vice Pres. Butler commented Item B would be tabled until next month. Dir. Tanski moved to table Old Business Item B. Dir. Ross seconded. Motion carried.

NEW BUSINESS

Ms. Natalie Peterson, Director of Marketing and Communications, summarized on the air service marketing grant through MnDOT. Dir. Fedora moved to accept and approve the resolution for MnDOT Air Service Marketing grant for a total amount of \$61,517 and to authorize the Authority's Vice President and Secretary to execute contingent upon receiving the grant. Dir. Tanski seconded. Motion carried.

Mr. DeCoster spoke on the renewal lease for an equipment room. Dir. Tanski moved to approve the resolution for the terminal space lease agreement between the Duluth Airport Authority and Aeronautical Radio, Inc. Dir. Fedora seconded. Motion carried.

Dir. Ross moved to adjourn the September 20th meeting. Dir. Tanski seconded. Motion carried. Vice Pres. Butler adjourned the September 20th DAA Board meeting at 9:24 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Patrick K. Munn DATE: 10-18-16