



MINUTES OF THE MEETING

DATE: June 21, 2016

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
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
Taylor Piechocki, DAA
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Mark Ketterer, AAR
Peter DeSutter, AAR
Tom Burchnell, AAR
Jerry Simonson, Hertz
Rob Cotter, Allete
Ray McClelland, Property Owner

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 and invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner expressed his appreciation to Ms. Mary Ann Wittkop, Airport Executive Secretary and presented a plaque in recognition for her twenty years of service to the Duluth Airport Authority. Mr. Werner also congratulated Pres. Stromquist for his term of six years with the Airport Authority. He has

served through tremendous changes such as the new terminal and construction projects; his rock solid leadership during difficult times has been appreciated. He wished Pres. Stromquist good luck in his future endeavors. A plaque will be presented to him during the upcoming board retreat in July. Mr. Todd Fedora, U.S. Bank, will be appointed as the new Board member replacing Pres. Stromquist.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: overall year to date numbers down by 11%, Delta down almost one percent and United half a percent increase. United fourth flight to Chicago returned this month, will go through October. Presented results from the recent survey regarding demand to key destinations; detailed on the Jump Start Conference meetings with airlines; updated on the informal meeting with Allegiant regarding possible future opportunities and updated on meetings with current carriers United and Delta.

Airfield operations and development: Mr. Blaine Peterson, Director of Operations, Airside – the Part 139 emergency response exercise went very well, great collaboration from all community emergency organizations, multiple learning points from the exercise. Lake Superior Helicopter (LSH) permits are complete, final step is approval by the Fire Marshall. Mr. Peterson invited Ms. Benita Crow, SEH, to overview on the Runway 9/27 reconstruction Phase One progress -- she presented slides and explained that the initial concerns for the structural condition of the runway were confirmed with this project and updated on the construction process -- everything is right on track.

Dir. Stewart arrived at 8:30 a.m.

Mr. Peterson updated on the process for Runway 9/27 reconstruction Phase Two; Noise update -- meetings with the citizens with questions on environmental and noise concerns with extensions of the runway have been held, he introduced Ms. Kaci Nowicki, SEH, to detail further -- she spoke on two hot spots FAA has identified and alternatives to resolve these issues; spoke on meeting with tenants regarding this process and next steps; summarized on the noise discussions, explained options for noise study, Part 150 noise study completed in the past and eligibility for funding to update the study -- more to come with this topic. Landside -- Mr. Peterson updated on the Fixed Base Operations/FIS project. Business Development -- Mr. DeCoster, Trillion Aviation, explained resolution for the amendment to the LSH lease would be later in the agenda and provided background information; FedEx development -- the new facility for ground handling equipment has been put on hold due to funding, looking for options to move forward. Quick Turn Facility (QTA) -- amendments to rental car agencies to extend out two years are in agenda, at this time QTA is not feasible, will pick up discussion at next lease term. Sky Harbor -- ice cream vendor is interested again this year, working on a cart to be stored at Sky Harbor to accommodate the business. Mr. Werner thanked the Sky Harbor Manager, Mr. Brian Madsen, for hosting a great get together event in June -- July and August will also be hosting BBQ events.

- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on the final steps and touches for the Above and Beyond program, launching press release in August; marketing campaign strategy and timeline – progressing well; updated on the DAA commercial vehicle policy – doing extremely well; two announcements – Mr. Carl Mullen, is the new Blue Coat Ambassador and doing a tremendous job; she introduced the new marketing intern, Ms. Taylor Piechocki, she will help launch the Above and Beyond program and create several brochures.
- Legislative Update: Mr. Werner spoke on the capital funding request, monitoring closely; the LCCMR funding has been secured.
- The next Northern Aero Alliance meeting has been scheduled for July 20th at the Hermantown Chamber.
- Zoning – MCOA will resume MnDOT meetings regarding State zoning statutory meetings.
- Board Retreat – air service focus, will be held end of July.

Mr. Werner moved Old Business Item J, Air Show presentation to this point and invited Mr. Ryan Kern, 2016 Duluth Air Show, to the table. Mr. Kern updated on the 2016 Air show which is two and a half weeks out. Spoke on the performers and static displays with the Thunderbirds as the main attraction. Majority of work is logistics, infrastructure, traffic and parking. Thanked the community and all airport tenants for their support. Questions and discussion followed. Mr. Kern was thanked for his update.

Questions and discussion followed on several of the Executive Director's review items. Dir. Tanski moved to approve the May 17th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #9, #10 and #11, 2016 and Construction fund sheet #5, 2016.

Survey request from DAA to Duluth International Airport customer, businesses and friends.

Notice regarding DAA Commercial Vehicle Policy meeting.

Notification letter to DAA from Enterprise Leasing Company regarding vehicle rental lease and concession agreement option to extend.

DNT news release "New Owner of Skyline Shuttle Plan to Expand the Service".

Duluth International Airport news: Duluth International Airport news release – "Active Shooter Training Exercise" "Runway 9/27 Construction to Begin June 1st" and "Chicago Fourth Flight Option Returns to Duluth International Airport".

Letter from the Office of the State Auditor to DAA regarding completed 2015 audit.

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

Notification letter from DAA in conjunction with Duluth Airshow, TSA and local law enforcement agencies to Duluth Airport tenant and businesses regarding upgraded security policy for the July 9 – 10 Duluth Air Show.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

Mr. DeCoster provided background information and spoke on the lease amendments for the rental car agencies. He explained the next four Items, A through D, were the same extension dates. Questions followed. Dir. Rand moved to approve the resolution for the lease amendment between the Duluth Airport Authority and Overland West Inc. dba Hertz Car Rental. Dir. Tanski seconded. Motion carried.

Dir. Mullen moved to approve the resolution for the lease amendment between the Duluth Airport Authority and Krenzen Corporation dba Budget Rent A Car. Dir. Butler seconded. Motion carried.

Dir. Butler moved to approve the resolution for the lease amendment between the Duluth Airport Authority and Sonju Enterprises, Inc. dba Avis Car Rental. Dir. Tanski seconded. Motion carried.

Dir. Rand moved to approve the resolution for the lease amendment between the Duluth Airport Authority and Enterprise Holdings dba National/Alamo/Enterprise Car Rental. Dir. Butler seconded. Motion carried.

Mr. DeCoster spoke on the extension for this short term agreement. Mr. Werner detailed further and recommended approval. Dir. Mullen moved to approve the Sky Harbor short term hangar lease between the Duluth Airport Authority and Jonathan Aero. Dir. Rand seconded. Motion carried.

Mr. DeCoster explained this resolution was also an extension. Mr. Werner added further information and recommended approval. Dir. Rand moved to approve the Sky Harbor short term hangar lease between the Duluth Airport Authority and Colin Hillman. Dir. Tanski seconded. Motion carried.

Mr. DeCoster summarized on the Cirrus production company land lease site. Dir. Butler moved to approve the resolution for a short term land lease agreement between the Duluth Airport Authority and McGough Construction Company. Dir. Rand seconded. Questions followed. Motion carried.

Mr. DeCoster gave background information on the Lake Superior Helicopter amendment and recommended modification to language under section H -- "all" would be replaced with "a portion of". Questions and discussion followed. Mr. Werner recommended approval. Dir.

Mullen moved to approve the lease amendment with language modification between the Duluth Airport Authority and Lake Superior Helicopters. Dir. Ross seconded. Motion carried.

Mr. DeCoster spoke on the amendment to the office agreement. Pres. Stromquist moved to approve the resolution for the amendment to the office agreement between the Duluth Airport Authority and SEH. Dir. Stewart seconded. Motion carried.

NEW BUSINESS

Ms. Joelle Bodin, Director of Finance and Administration, provided background information and summarized on the write off amount for Coffee Cabin. Mr. Werner recommended approval. Dir. Mullen commented and applauded Ms. Bodin for the process and follow up on this issue. Dir. Tanski moved to approve the resolution for write off amount of \$1,209.90 for Coffee Cabin per DAA Operating Policy #23. Dir. Ross seconded. Motion carried.

Pres. Stromquist explained the process and spoke on the Executive Committee's recommendation and nomination for the slate of officers – President, Pat Mullen, Vice President, Heather Rand and Secretary, Ken Butler. Dir. Ross moved to approve the slate of officers – President, Pat Mullen, Vice President, Heather Rand and Secretary, Ken Butler. Dir. Tanski seconded. Motion carried.

Pres. Stromquist expressed his appreciation in being able to work with all involved at the airport, tenants, aviation businesses and staff. He commended Mr. Werner for all his hard work. Dir. Mullen applauded Pres. Stromquist for his strong leadership and service.

Dir. Butler moved to adjourn the June 21st meeting. Dir. Stewart seconded. Motion carried. Pres. Stromquist adjourned the June 21st DAA Board meeting at 9:47 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 7-18-16