



MINUTES OF THE MEETING

DATE: April 19, 2016

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

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

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, 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
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Jackson Perrault, DAA
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Andy Samberg, RS&H
Mark Osiecki, AAR
Peter Desutter, AAR
Jerry Simonson, Hertz
Robert Topliff
Faye Topliff
Candace Renalls, DNT
Dester Johnson, WDIO
Baihly Warfield, WDIO
Ray McClelland, Property Owner

President Stromquist welcomed everyone and called the meeting to order at 8:02 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

- Year to date numbers decreased by 14%, March numbers compared to March last year down 13.4%, Delta down 2.6% and United 1.4%. Preparing presentations for Jump Start Conference in June – more air service talk for the months to come.
Airfield operations and development: Mr. Blaine Peterson, Director of Operations, Airside -- the May 25th Part 139 full response emergency exercise picking up speed, active shooter scenario, exercising cross agency communication and feed, hospitals will be receiving 30 patients each and the recovery phase – this is a FAA requirement every three years. Lake Superior Helicopter (LSH) self-fueling permit application -- draft complete, will be meeting with LSH. Landside – Fixed Base Operations/General Aviation Facility remodel looking great, will start to move in this week; next phase, general aviation customer facility process. Business Development -- Mr. Werner spoke on working with LSH for new space for their operations to grow, early stages of discussion; Civil Air Patrol looking over term sheet for consideration for leasing former 911 building; FedEx development working with developer for potential for new facility for ground handling equipment. Sky Harbor – no new update.
- Financial: Ms. Joelle Bodin, Director of Finance and Administration, presented a year to date financial example, summarized on process. She explained due to new system the comparison for prior year will be a little tricky. Mr. Werner detailed further. Dir. Mullen expressed his appreciation for the huge improvements and detail to the reports. Questions and comments followed. State auditors were here for a week and a half, they are preparing financial statements for review, should have the annual audit book soon. Ms. Bodin was thanked for her great work.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on finalizing the customer service initiative -- the Above and Beyond program; Fly Local campaign is moving toward the production mode, highlighting the regional perspective; updated on Security Jewelry and Duluth Packs advertisements. Commercial Vehicle Policy – doing very well, have exceeded expectation for permits and revenue.
- Legislative update: Mr. Werner mentioned the Duluth and St. Louis County Days will be next week, DAA will have a booth.
- The next Northern Aero Alliance meeting is scheduled for May 11th in the Amatuzio Conference rooms.
- The Minnesota Council of Airports (MCOA) conference will be held this week in Brainerd, April 20 through the 22nd, excited to announce that Mr. Peterson and Ms. Peterson will be panelists, sharing their expertise with other MN airports.

- Mr. Werner spoke on the challenging first quarter and expressed his pride in all the DAA staff and wanted to recognize everyone for keeping the airport strong. Pres. Stromquist expressed the Boards appreciation to the staff.

Questions and discussion followed on several of the Executive Director's review items. Dir. Mullen moved to approve the March 15th meeting minutes, March 21st special meeting minutes and other consent items below. Dir. Butler seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #5, and #6, 2016. Construction fund sheet #4, 2016.

Duluth International Airport news: KQDS Fox 21 news article – "Runway Tenants Worried About Runway Reconstruction Project", DNT "Duluth Runway Reconstruction Plan Causes Controversy", WDIO "Airport Reconstruction Looming, AAR Cites Concerns" and DNT news article "Progress Made in Airport Runway Dispute in Duluth".

E-mail reminder notification from DAA to Commercial Vehicle Policy Stakeholder group that the enforcement for the 2016 DAA Commercial Vehicle Policy begins April 1, 2016.

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

Request letter from Citizens Committee Environment Concerns (CCEC) to DAA regarding requested environmental review for Duluth International Airport construction and response letter from DAA to CCEC regarding request.

Announcement letter from Republic Parking System regarding the sale of Republic to Impark and Republic Parking news release "Impark Acquires U.S. – Wide Parking Company; Republic Parking".

OPPORTUNITY FOR PERSONS TO BE HEARD

One public person signed up, Ms. Faye Topliff, CCEC, she was invited to the table. Ms. Topliff expressed concern for public informational meetings regarding noise abatement with changing aircraft and runway extension projects at the airport. Mr. Werner addressed her concerns, the 3/21 project is several years out, there will be environmental procedures and public notices at that time. He recommended planning meetings with the people concerned, DAA and the Tower, regarding this issue. Ms. Topliff was thanked for addressing the Board.

OLD BUSINESS

Mr. Werner spoke on last month's renegotiation request regarding the 9/27 reconstruction project. He was pleased to report success and the change order is on this agenda. He briefed on the process and explained the timeline and phasing of the project. Will be working with the construction window provided by AAR. Mr. Scott Sannes and Ms. Benita Crow, SEH, summarized on the change order, provisions, payment structure and the

phasing process for the reconstruction. Questions and discussion followed. Mr. Werner acknowledged and thanked AAR, PCI and the City of Duluth for finding a workable solution for this project. He thanked all involved for their hard work and recommended approval. Mr. Werner and Pres. Stromquist were recognized for their efforts in this process. Comments followed. Dir. Rand moved to approve the resolution authorizing a Runway 9/27 reconstruction project Phase 1 contract change order agreement with PCI Roads, LLC in the additional amount of \$3,000,000. Dir. Stewart seconded. Motion carried. Pres. Stromquist thanked Mr. Hanke for all his work in this change order.

NEW BUSINESS


Mr. Werner explained the sublease agreement and recommended approval. Dir. Mullen moved to approve the resolution authorizing Lake Superior College to sublease its City owned hangar property at Duluth International Airport to Kernz and Kompany, Inc. for use at year 2016 Air Show. Dir. Tanski seconded. Motion carried.

Mr. Peterson gave background information and explained the airfield security gates and fencing upgrades. He recommended approval. Questions and discussion followed. Dir. Butler moved to approve the resolution for SEH Work Order #2016-1, final design, plans and specifications for airfield fence improvements at the Duluth International Airport. Dir. Ross seconded. Motion carried.

Dir. Ross moved to adjourn the April 19th meeting. Dir. Stewart seconded. Motion carried. Pres. Stromquist adjourned the March DAA board meeting at 8:46 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 5-17-16