



MINUTES OF THE MEETING

DATE: July 19, 2016

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

DIRECTORS PRESENT: Pat Mullen
Ken Butler
Richard Stewart
Anna Tanski
Todd Fedora

DIRECTORS ABSENT: Sue Ross

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
Benita Crow, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Mike Magni, Monaco Air Duluth
Darren Christopher, RS&H
Peter DeSutter, AAR
Tom Burchnell, AAR
Faye & Robert Topliff, Public
Dwight & Joan Morrison, Public
Ray McClelland, Property Owner

President Mullen welcomed everyone and called the meeting to order at 8:00 a.m. He introduced and welcomed Dir. Todd Fedora, President, US Bank, to the Board. Dir. Fedora spoke briefly on his background information. He mentioned he has been DAA Board member in the past and looking forward to working with everyone and serving on this Board again. Pres. Mullen explained Ms. Heather Rand submitted her resignation to the Board due to her City of Duluth position. He thanked the public for their interest and reminded people to sign in for the Opportunity to be Heard section. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Overall year to date numbers down by 10.5%, Delta down 2.5% and United down .5%; spoke on future flight schedule and seat capacity fluctuation due to demand, upcoming airline meetings and updated on Public Charters meetings. DAA interns have helped with deep data collections on key metrics, Mr. Werner thanked DAA intern, Mr. Cody Witzany, for all his work and presented information on June domestic and international destinations, fare differential samples -- message to share, flying out of Duluth can be competitive, need to look and compare. Airfield operations and development: Airside -- Mr. Werner spoke on Runway 9/27 Reconstruction Phase 1B -- have held stakeholders outreach meetings, need to define construction period. Mr. Blaine Peterson, Director of Operations, outlined Phase 1B and Phase 2 projects, Phase 2 is in the planning and coordination stage; Noise update -- meeting with concerned citizens, discussed past noise studies, DAA's role and commitment and FAA Part 150 Noise Study, researching for best time for this process; Lake Superior Helicopter (LSH) self-fueling permit application -- Fire Marshall has inspected and reviewing, should receive opinion in next several weeks; Duluth Airshow summary, parking shuttle system successful, great event, Blue Angels will be here for another airshow first week in June. Business Development: Mr. John DeCoster, Trillion Aviation, briefed on the LSH lease, downsized to smaller office space, looking into longer term solution for future; FedEx development -- provided background information, notice letter to exercise option on the second parcel and summarized on the process, obligations and discussions, Mr. Werner detailed further, one year notice, response will go out this week and will hold future meetings to resolve issues. Sky Harbor: Love Creamery, ice cream vendor, has a mobile cart stored at Sky Harbor, operating and well received. Mr. Werner spoke on the second successful tenant and staff event in July, will host one more in August.
- Financial: Ms. Joelle Bodin, Director of Finance & Administration, explained timeline for operating procedures for budget preparation -- draft to the Board in September, approval by Board in October and November approval by City Council; Letter will be going out to begin negotiations with the collective bargaining unit, term ending December of this year.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, Delta Sky Magazine is highlighting Duluth and DAA will have a presence, processing and editing video hoping to finalize for the magazine; Employee meetings being held for the Above and Beyond program, launching press release in August; DAA will again be a sponsor for Bentleyview, have four tickets from United and working on hotel package.
- Legislative Update: Mr. Werner spoke on the capital funding request, hoping for special session and alternative plans if session does not happen; Passing of FAA funding extension, summarized on key provisions.

- The next Northern Aero Alliance meeting is scheduled for tomorrow July 20th at the Hermantown Chamber.
- Secretary of Transportation, Mr. Anthony Foxx, will be in Duluth Thursday for a Transportation Investment Forum, will have an opportunity to meet and discuss projects.
- Board Retreat end of July, air service focus and spoke on planned discussions for the two days.
- City Planning staff will present in August on updating the City's comprehensive plan.

Questions and discussion followed on several of the Executive Director's review items. Dir. Butler moved to approve the June 21st meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #12 and #13, 2016 and Construction fund sheet #6, 2016.

Letter from FAA to DAA regarding Passenger Facility Charge (PFC) Number 05-07-C-00-DLH Closeout.

Acknowledgement letter from FAA to DAA regarding PFC application 17-12-C-00-DLH.

Copy of letter from Minnesota Council of Airports (MCOA) to Minnesota Department of Transportation regarding meetings to discuss changes to State Zoning Statute.

Letter from DAA to PCI Roads Runway 9/27 Phase 1B Schedule.

Fox News.com news release "US Airlines Facing Major Pilot Shortage Despite Rising Wages".

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

E-mail notice from Curtis R. Fisher to DAA to exercise the option to occupy Parcel II in the ground lease agreement.

Notice letter from DAA to AAR to prepare for the next phase of runway construction.

News release from the Office of Minnesota's Eighth District Congressman Rick Nolan "Nolan Applauds FAA Funding Extension, Pushes for Long-Term Funding Bill".

May 2016 financial report, June 2016 accounts receivables and airline statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

Ms. Faye Topliff was welcomed and invited to speak to the Board. Ms. Topliff thanked the Duluth Airport Authority for recognition and conversation concerning noise, very forward thinking and expressed her appreciation for the good work. Pres. Mullen thanked Ms. Topliff for her engagement in this process.

OLD BUSINESS

Mr. DeCoster spoke on the Sky Harbor hangar lease agreement. Dir. Tanski moved to approve the resolution for the Sky Harbor short-term lease agreement between the Duluth Airport Authority and John Justad. Dir. Stewart seconded. Motion carried.

NEW BUSINESS

Mr. Peterson provided background information, summarized and spoke on timeline for the Phase 2 reconstruction of Runway 9/27. He recommended approval. Dir. Stewart moved to approve the resolution to award PCI Roads in the amount of \$5,763,444.05 for the Duluth International Airport, Runway 9/27 Reconstruction, Phase 2. Work Scope includes reconstruction of the west 2,162 feet of Runway 9/27 and associated in-pavement lighting, including the Precision Approach Path Indicators (PAPIs) on the west end. Dir. Butler seconded. Motion carried

Mr. Werner explained the SEH Work Order was not ready at this time, recommended to table and will bring forward next month. Dir. Stewart moved to table the resolution to approve SEH Work Order #2016-4. Dir. Fedora seconded. Motion carried.

Mr. Peterson summarized on the airfield security fencing, gate upgrades and improvements. Mr. Werner detailed further. Questions and discussion followed. Mr. Peterson spoke on TSA security airfield perimeter guidelines. Dir. Tanski moved to award a contract to Century fence in the amount of \$1,019,156.63 for the Duluth International Airport, 2016 airfield fence improvements. Work Scope includes improvement to the airfield perimeter fence and automatic gates to meet TSA security requirements and FAA recommendations for wildlife hazard management. Dir. Stewart seconded. Motion carried.

Mr. Peterson explained the following resolution is related to the fencing improvements and summarized on the process. He recommended approval. Questions followed. Dir. Butler moved to approve SEH Work Order #2016-5 for the construction administration, observation, and closeout services for Duluth International Airport, 2016 Airfield fence improvements. Dir Fedora seconded. Motion carried.

Mr. Peterson detailed and spoke on the hot spots. He summarized on the scope of work for the triggering event Master Plan. Dir. Butler moved to approve SEH Work Order #2016-6 for the triggering event Master Plan. Scope of work includes resolution

to the hot spots on the east end of the runway, including engineering design issues, stakeholder coordination, public outreach, noise contours, environmental impacts, and updating the airport layout plan (ALP) to reflect the new Runway 27/Taxiway E layout. Dir. Tanski seconded. Motion carried

Pres. Mullen commented on the resignation of Ms. Heather Rand and the add in resolution for selection for DAA Vice President and Secretary. He presented the Executive Committee's recommendation for the new slate of officers as Ken Butler, Vice President and Anna Tanski, Secretary. Dir. Fedora approved the slate of officers as recommended. Dir. Stewart seconded. Motion carried.

Dir. Stewart moved to adjourn the July 19th meeting. Dir. Tanski seconded. Motion carried. Pres. Mullen adjourned the July 19th DAA Board meeting at 9:03 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 8-16-16