



MINUTES OF THE MEETING

DATE: August 16, 2016

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

DIRECTORS PRESENT: Pat Mullen
Ken Butler
Sue Ross
Anna Tanski
Todd Fedora

DIRECTORS ABSENT: Richard Stewart

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
Ryan Welch, Airport Facilities Manager
John Orrey, DAA Building & Grounds Assistant
John DeCoster, Trillion Aviation
Kathy Carver, Confidential Bookkeeper
Benita Crow, SEH
Shawn McMahon, SEH
Don Monaco, Monaco Air Duluth
Mark Osiecki, AAR
Amna Hanson, DGS
Scott Wright, DGS
Amy Bubacz, DGS
Faye & Robert Topliff, Public
Dwight & Joan Morrison, Public
Ray McClelland, Property Owner

President Mullen welcomed everyone and called the meeting to order at 8:01 a.m. He welcomed and thanked the public for their interest and reminded people to sign in for the Opportunity to be Heard section. He introduced Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner invited Mr. John Orrey, DAA Building & Grounds Assistant, to the table. During the recent late night storm and power outage, Mr. Orrey returned after his late shift to make sure everything was operational for the early morning passengers – great example of above and beyond. Mr. Werner presented him with a customer service award and thanked him for his hard work.

and dedication. Mr. Werner invited a group from the Delta Global Services ground handling personnel to the table -- Ms. Amna Hanson, Mr. Scott Wright, Ms. Amy Bubacz and Ms. Tanya Hanson to the table. Ms. Tanya Hanson was not available. He spoke on the leadership change the last several months along with the many irregular operations, diversions from MSP; this crew was instrumental in making their DLH team number one ground handler servers in the Delta system. He presented customer service awards and expressed his appreciation to this group and their team for their phenomenal job during the transitional leadership process.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Continues on similar trend -- year to date numbers decreased by 10%, Delta decreased by 4% and United .5% increase; He presented a condensed version of the 2013 leakage study, spoke on contributing factors and strategies to reverse leakage; End of the month have meetings with Allegiant and SkyWest airlines.
- Airfield operations and development:
 - * Airside -- Mr. Werner commented on Runway 9/27 Reconstruction Phase 1B -- have met with stakeholders for input on 2017 construction period and reached impasse, continuing to work with contractor and stakeholders to review and respond to issues. Mr. Blaine Peterson, Director of Operations, spoke on Phase 2 reconstruction and summarized on timeline for the project; FAA Part 139 Certification inspection is starting today through Thursday, have done excellent for the last ten years.
 - * Landside -- Fixed Base Operation remodel and FIS project moving forward, recommended a tour for the Board in future months; Cirrus completion center update -- moving along quite well.
 - * Business Development: Mr. Werner presented background information and summarized on the Trillion Aviation contract, exercising first option for one additional year -- Mr. John DeCoster, Trillion Aviation, detailed further; Mr. DeCoster summarized on the parking management contract, request for proposal being developed to be issued this fall; FedEx development -- spoke on background information and discussions, going in the right direction; Air National Guard land lease expiring next year, have had meetings regarding remedial obligations and options, Mr. Werner detailed further.
 - * Sky Harbor: Mr. Werner spoke on effort on marketing and promotion for this airport with activities and the community. He expressed his appreciation to the Sky Harbor Manager, Mr. Brian Madsen, for his remarkable job in embracing this task, recently received compliments for his promotion of the airport and statewide aviation at the Oshkosh air show and will be hosting the Park Point Community club meeting this week.

- Financial: Ms. Joelle Bodin, Director of Finance & Administration, summarized on the AIP 54 and 55 grant closeouts, Mr. Werner detailed further on the long process with staff time and effort; Ms. Kathy Carver, Confidential Bookkeeper, was thanked for her tremendous work during this process. The letter went out last month to the collective bargaining unit to begin contract negotiations; they have met and now waiting for dates to begin process. Ms. Bodin presented on the second quarter financial review.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, summarized on the strategy for the new marketing campaign, travel globally/fly locally and previewed the commercial ads, presented samples of the digital ads, radio and billboards, spoke on placement and timeline; the Board complimented Ms. Peterson on her great work on the new commercial ads. Will be launching new initiative -- target messaging to other communities with the Thanks Again program, future meetings will be held for the next steps. Captain Steve promotions are successful, looking into a promotion with DLH and United in the near future.
- Legislative Update: Mr. Werner commented on the capital funding request, continue to monitor; MnDOT appropriation, good discussions; Updated on State zoning reform, MnDOT representatives will be meeting here September 1st.
- Other Items: Recapped on the Board Retreat focused toward air service, action items -- strategies to address leakage, pursue a leisure carrier and increasing Board engagement. Working with the City to fill the open Director's position. Mr. Peterson was recently recognized by the Duluth Air show for his outstanding work as Operation's Director. His liaison with all agencies involved and behind the scenes hard work resulted in keeping the event seamless and fun. Pres. Mullen thanked Mr. Peterson for his coordination with this event.

Questions and discussion followed on several of the Executive Director's review items. Dir. Butler moved to approve the July 19th meeting minutes and other consent items below. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #14 and #15, 2016.

Notice letter from Curtis R Fisher to DAA to exercise the option to occupy Parcel II in the ground lease agreement and thank you and follow up letter from DAA to Curtis R Fisher for discussion related to exercising the option on Parcel II.

Thank you letter from Duluth Air & Aviation Expo to DAA for support and partnership for the 2016 Duluth Air Show.

Letter from DAA to AAR regarding defining 60 day continuous construction schedule for Runway 9/27 for 2017 and letter from DAA to AAR regarding construction schedule.

Copy of letter from Lake Superior College to City of Duluth regarding discontinuation of Aircraft Rescue and Fire Fighting training program.

Thank you letter from Congressman Rick Nolan to Mr. Tom Werner for participation in roundtable discussion on transportation and economic development with U.S. Secretary of Transportation, Anthony Foxx.

DNT news article "Soaring Together: Local 'Aviation Cluster' Grows Up Around Cirrus".

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

Letter from DAA to Monaco Air Duluth regarding lease agreement to old maintenance garage warehouse 2.

Letter from DAA to delegation members updating efforts to accommodate airport tenants for the runway construction in 2017

Agenda for DLH tenant meeting for the Runway 9/27 reconstruction.

News release from DAA "Duluth Airport Launches Above and Beyond Initiative".

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

OPPORTUNITY FOR PERSONS TO BE HEARD

Mr. Dwight Morrison was welcomed and invited to speak to the Board. Mr. Morrison is a Hermantown resident and spoke on the term transparency – sharing of information to give a positive and trustful view of an organization or meeting. Recent meetings were held regarding noise issues and he has not received any information from these meetings. He made a formal request for a copy of the FAA Part 150 study, 1997 study, the extent of work on the Part 150 study and more definition on the FAA noise compatibility program. Mr. Peterson spoke on the discussion with the noise committee regarding the processes and FAA guidelines moving forward with the Master Plan. He will capture these discussions in writing and forward to Mr. Morrison.

Ms. Faye Topliff was invited to the Board to speak. Ms. Topliff questioned the noise issue being documented in the Board minutes and why the DAA Board is represented by the City of Duluth and not other communities. Mr. Werner explained the 1969 DAA Charter states the Mayor of Duluth appoints the Board members and they are approved by the Duluth City Council. Discussion followed. Mr. Werner noted the noise issue is documented in the July minutes under the Executive Review and the Opportunity to Be Heard Section. Ms. Topliff will be sent the monthly minutes. Pres. Mullen thanked Mr. Morrison and Ms. Topliff for their comments.

OLD BUSINESS

Mr. Peterson explained the SEH Work Order, which had been tabled last month. Dir. Butler moved to approve the resolution for the SEH Work Order #2016-4 for the

construction administration, observation, and closeout services for Duluth International Airport, Runway 9/27 reconstruction, Phase 2. Dir. Tanski seconded. Motion carried.

Pres. Mullen commented on the committee structure discussion. Mr. Werner reviewed the DAA By Laws and spoke on the process for committee structure and requirements. He recommended amendments to the Bylaws. A discussion followed on the participation and structure of these committees. Pres. Mullen spoke on establishing three committees – marketing, finance and business development, with possibly a fourth, government, if needed. These items discussed will be researched and detailed further and brought before the board at September's meeting.

NEW BUSINESS

Mr. Werner explained the City Planning and Community Planning Directors were to present to the Board, but unfortunately were not at the meeting at this time. He spoke on the meeting they had to preview this presentation and summarized on the discussion topic, establishing an airport zone for airport controlled property only. The City is soliciting input on their comprehensive plan and encouraged Board members to fill out that survey. Will try to reschedule this presentation again in the future.

Pres. Mullen asked Mr. Don Monaco, Monaca Air Duluth, to give a brief summary on the Monaco Foundation Board. Mr. Monaco provided a quick background and explained past projects and initiatives. Pres. Mullen detailed further and asked if any of the Board members were interested in serving on this Board. Dir. Butler recommended more time for all the members and to have this included with the committee findings next month.

Dir. Ross moved to adjourn the August 16th meeting. Dir. Butler seconded. Motion carried. Pres. Mullen adjourned the August 16th DAA Board meeting at 9:48 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 9-20-16