



## MINUTES OF THE MEETING

DATE: May 17, 2016

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

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

DIRECTORS ABSENT: Ken Stromquist  
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  
Brian Madsen, Sky Harbor Manager  
Kathy Carver, Confidential Bookkeeper  
Jana Kayser, Part Time Bookkeeper  
Jackson Perrault, DAA  
Cody Witzany, 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  
Jerry Simonson, Hertz  
Robert Topliff  
Faye Topliff  
Ray McClelland, Property Owner

Vice President Mullen 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. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

## EXECUTIVE DIRECTOR'S REVIEW

- Air Service: year to date numbers down by 12%, Delta down 1% and United just under 1%. Numbers should be tighter from this point forward, as Allegiant pulled out a year ago in May. Completed route analysis for Chicago flights, all flights met criteria, updated SkyWest and will be meeting with them in the future. Updated on airline meetings for the Jump Start Conference in June – not all as requested will meet with Allegiant informally.  
Airfield operations and development: Mr. Blaine Peterson, Director of Operations, Airside -- Part 139 emergency response exercise scheduled for Wednesday May 25<sup>th</sup>, press release announcement and signage will be sent and set up prior to the exercise regarding the full range participation by community emergency agencies, Gold Cross Ambulance and Life link Helicopter will be participating by transporting volunteer victims; will have interaction with the media and exercising the recovery phase. Meetings with Lake Superior Helicopter (LSH), close to finalizing self-fueling permit, very good progress. Successful Honor Flight on April 30<sup>th</sup>, full aircraft. Updated on Runway 9/27 reconstruction Phase 1, schedule and timeline; working with area businesses and citizens concerning the construction process. Moved forward to Landside – Fixed Base Operations is up and running, first class facility; the customer facility portion is happening now, more to come next month. Returned to Airside and introduced Ms. Kaci Nowicki and Mr. Shawn McMahon, SEH, to present on the Runway 9/27 Phase 2 and 3 engineers report – overviewed and summarized on FAA requirements, existing conditions, phasing plans, pavement designs, project justification, schedule and budget. Business Development -- Mr. Werner spoke on working with LSH on resolving several issues and for new space for their operation; FedEx development -- working with developer on potential for a new facility for ground handling equipment, discussions continue. Sky Harbor – last year provided curbside ice cream vending, vendor is interested in doing again this year.
- Financial: Ms. Joelle Bodin, Director of Finance and Administration, presented the first quarter 2016 financial report. Touched on revenues and operating expenditures for DLH and Sky Harbor. Questions and comments followed. She summarized on the health of the airport financial conditions. Mr. Werner added details to the summary. Ms. Bodin was thanked for her presentation.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on the final steps and touches for the Above and Beyond program, launching in July; marketing campaign production video is starting today, will be highlighting the community and region.
- Mr. Werner mentioned several items pertaining to the air service section -- launching a user survey today reaching out to partners and local chambers to collect data for interest in Detroit and Denver service. The Delta Global Service ground handlers, who service both United and Delta, are going through leadership change, hiring process will be happening the next month or so. Ms. Peterson reminded the board that DAA is

hosting a Duluth Chamber After Hour event today on the second floor mezzanine area.

- The Minnesota Council of Airports (MCOA) annual conference was a success; Mr. Werner was elected chairman for this organization to serve the next two years.

Questions and discussion followed on several of the Executive Director's review items. Mr. Werner was congratulated for being elected MCOA chairman. Dir. Stewart moved to approve the April 19<sup>th</sup> meeting minutes and other consent items below. Dir. Tanski seconded. Motion carried.

#### CONSENT ITEMS

Cash disbursement sheets #7, and #8, 2016.

Approval letter from the Federal Aviation Administration (FAA) to DAA regarding PFC Amendment No. 05-07-C-02-DLH and closeout letter from FAA to DAA.

Duluth International Airport news: Duluth International Airport news release – "Agreement Reached to Move Forward with Runway Reconstruction Project", DNT "Agreement Reached for Reconstruction of Main Runway at Duluth Airport".

Copy of letter from the City Attorney's to the Office of the State Auditor regarding contingent liabilities.

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

#### OPPORTUNITY FOR PERSONS TO BE HEARD

None.

#### OLD BUSINESS

Ms. Bodin summarized on the CFC funds and the lighting issues in the rental car area of the parking ramp and recommended approval. Dir. Rand moved to approve the resolution for the CFC fund use to increase and improve lighting in the rental car areas of the parking structure. Dir. Stewart seconded. Motion carried.

Mr. Werner detailed on the amendments to certain Sky Harbor land lease exhibits. Dir. Tanski moved to approve the following:

1. Hangar 3 Land Lease Between the Duluth Airport Authority and Jonathan Aero and William Bellamy.
2. Hangar 4 Land Lease Between the Duluth Airport Authority and Jonathan Aero.
3. Hangar 5 Land Lease Between the Duluth Airport Authority and Abateco Inc.
4. Hangar 6 Land Lease Between the Duluth Airport Authority and Donald Macor.
5. Hangar 7 Land Lease Between the Duluth Airport Authority and Miner's Outdoor Adventures, LLC.

6. Hangar 9 Land Lease Between the Duluth Airport Authority and Rob Cotter, Anne Cotter, Richard Luck and Renae Luck.

Dir. Stewart seconded. Motion carried.

Mr. Werner summarized on Sky Harbor Hangar #10 and #11. Resolution C and add in Resolution E are related and explained the extension of Hangar #10 and the assignment to the lessor of Hangar #10. Dir. Stewart moved to approve the resolution for amendment to Sky Harbor Hangar #10 land lease between the Duluth Airport Authority and Superior Lake Properties. Dir. Rand seconded. Motion carried.

Mr. Werner gave background information on Sky Harbor Hangar #11 and recommended approval. Dir. Rand moved to approve the amendment to Sky Harbor Hangar #11 land lease between the Duluth Airport Authority and Superior Lake Properties. Dir. Tanski seconded. Motion carried.

Mr. Werner noted add-in Resolution E as the assignment to the new lessor. Dir. Stewart moved to approve the resolution consenting the assignment of the Sky Harbor Hangar #10 lease. Dir. Rand seconded. Motion carried.

#### NEW BUSINESS

Mr. Werner explained that Resolution A is related to add-in Resolution J -- they are two separate agreements. Ms. Peterson spoke on the partnership with UMD and detailed on the renewal of the agreements. Questions followed. Vice Pres. Mullen brought forward Resolution A -- Dir. Tanski moved to approve the resolution for a sponsorship agreement between the Duluth Airport Authority and University of Minnesota Duluth. Dir. Stewart seconded. Motion carried.

Vice Pres. Mullen brought forward add in Resolution J – Dir. Tanski moved to approve the resolution for an advertising agreement between the Duluth Airport and the University of Minnesota Duluth. Dir. Rand seconded. Motion carried.

Ms. Peterson gave background information and spoke on the new advertising agreement. Dir. Stewart moved to approve the resolution for the license agreement for the display of advertising between the Duluth Airport Authority and Duluth Pack. Dir. Tanski seconded. Motion carried.

Mr. Werner spoke on the relocation of the Civil Air Patrol lease. Questions and discussion followed. Vice President Mullen recommended modifying language to include one year

notice for any other economic development on the airfield. Dir. Tanski moved to approve the resolution to approve the facility lease agreement between the Duluth Airport Authority and the Civil Air Patrol for Building 911 with the language modification. Dir. Stewart seconded. Motion carried.

Mr. Werner explained resolution D, to approve a short term agreement with McGough Construction Company, would be tabled until June.

Mr. Peterson spoke on the SEH work order. He explained an independent consultant review had been done; this work order was within the guidelines and recommended approval. Dir. Butler moved to approve the resolution for the SEH Work Order #2016-3, final design, plans and specification, and bidding services for Runway 9/27 reconstruction, phase 2 (west) at the Duluth International Airport. Dir. Rand seconded. Motion carried.

Mr. Peterson summarized on the Capital Improvement Projects and listed planned projects for 2016. Questions followed. Dir. Stewart moved to approve the resolution for the 2016 Capital Improvement Projects. Dir. Tanski seconded. Motion carried.

Dir. Rand moved to adjourn the May 17<sup>th</sup> meeting. Dir. Stewart seconded. Motion carried. Vice Pres. Mullen adjourned the May 17<sup>th</sup> DAA Board meeting at 9:16 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

APPROVED



DATE:

6-21-16