



DULUTH AIRPORT AUTHORITY

DAA SPECIAL MEETING

DATE: March 21, 2016

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

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

DIRECTORS ABSENT: Richard Stewart

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Finance & Administration Director
Steve Wabrowetz, Airside Manager
Ryan Welch, Terminal Facilities Manager
Brian Madsen, Sky Harbor Manager
Rick Swanson, Security Consultant
Benita Crow, SEH
Kaci Nowicki, SEH
Scott Sannes, SEH
Shawn McMahon, SEH
Ryan Kern, Duluth Air Show
Dwight & Jean Morrison, CCNC
Mark Ketterer, AAR
Rob Cotter, ALLETE
Tom Burchnell, AAR
Mike Magni, Monaco Air Duluth
Ryan Froelich, DGS
Darren Christopher, RS&H
Steve Gerster, PCI Roads
Nancy Norr, Minnesota Power/DEDA
Bill Hines, PCI
Denny Johnson, Parsons Electric
Pete Clark, Parsons Electric
David Montgomery, City of Duluth
John Holmgren, Northland Construction

Bill King, Cirrus
Brian Hanson, APEX
Jordan Sherman & Alec Bochner, KBJR
Baihly Warfield & Carl Sauer, WDIO
Kendra Sommer, Northland Fox 21
Candace Renalls, DNT

President Stromquist welcomed everyone and called the special meeting to order at 11:00 a.m. He explained this special meeting was to discuss reconstruction events regarding Runway 9/27. He reminded the public to sign in for the Opportunity to be Heard section. Comments before the Board will be in order of sign up and limited to five minutes. Mr. Tom Werner, Executive Director, started the proceedings with the first order of business Opportunity to be Heard.

The following public speakers spoke regarding their concerns with the 9/27 reconstruction project:

- Mr. Mark Ketterer, AAR Vice President of Operations. He read AAR's response to the latest proposal from Friday afternoon – will not operate aircraft into or out of Duluth should reconstruction begin. Part of response is due to safety concerns and explained consequences if the construction proceeds. He recommended Option 3 with the amendment to complete Runway 3/21 extension before the 9/27 construction. Questions followed, Mr. Ketterer was thanked for his comments.
- Mr. Steve Gerster, PCI Roads Vice President, general contractor for the project. Due to timeline, one month away, FAA specified materials produced and plans are underway. He explained how the project cancellation would be devastating and affect the contractors and sub-contractors -- all union employees. The goal is to move forward, recommended Option 1 or possibly Option 2. Mr. Gerster was thanked for his comment.

Dir. Ross arrived at the meeting.

- Mr. Mike Magni, President of Monaco Air Duluth. The closure will impact the international tech stop travel business and AAR is second largest customer for Monaco. He recommended Option 3 with amendment to complete 3/21 extension first. Mr. Magni was thanked for his comment.

- Mr. Rob Cotter, Chief Pilot for ALLETE/Minnesota Power. He expressed his opinion that this process has not been an open procedure with considerations to tenants and spoke on his concerns. He recommended Option 3 with amendment to complete 3/21 extension first. Questions followed. Mr. Cotter was thanked for his comments.
- Mr. David Montgomery, Chief Administrator for the City of Duluth. He explained that this is not a City project, but the City has been involved trying to find a solution for all the issues with all the parties for this project. He summarized on the complicated issues and concerns for all. He urged the Board and AAR take the time to look at all alternatives to find a solution. Mr. Montgomery was thanked for his comments.
- Mr. Jim Holmgren, Northland Constructors, did not speak. He is a sub-contractor with PCI Roads and concurs with Mr. Gerster.
- Mr. Brian Hanson, President & CEO APEX. He hopes the Board can come to a clear route to solve the infrastructure issues on the runway and continue to work with all stakeholders for conclusion and solutions. Mr. Hanson was thanked for his comments.
- Mr. Bill King, Cirrus Design Vice President of Business and Administration. He spoke in support and favor for improvements to the airport runways and urged the Board to utilize all resources for a solution that creates the least disruption of activities for all interested parties. Mr. King was thanked for his comments.

Mr. Werner explained the goal for this reconstruction project has been to optimize the construction process and minimize the impact to airfield users. He detailed and summarized on the complicated background, timeline and funding process on this project. Questions and discussion followed. Mr. Scott Sannes, SEH, introduced Ms. Benita Crow, SEH, to explain the latest phasing proposal. Questions from the public followed. Mr. Werner believes there is five years of life on the Runway 9/27 infrastructure and spoke on the grant and concerns. He recommended Option 2, for more flexibility and allows discussions to continue.

Pres. Stromquist commented on these discussions and Runway 9/27 viability. He asked all Board members to base their decision as Airport Authority members. He opened the meeting up for discussion. Pres. Mullen asked for clarification for Option 3. Mr. Werner summarized on the option, Mr. Sannes detailed further. Questions followed on the process for these resolutions. Dir. Rand recommended

amendment language to the options. Detailed discussion and questions followed. Directors requested feedback from the DAA staff regarding amendment language and options. Comments and discussion continued.

Dir. Stromquist recommended streamlining the options moving forward – Option 4, no resolution, Option 4 removed from agenda; Option 1 no resolution, Option 1 removed from agenda; Dir. Mullen moved to approve Option 3, no second motion received, Option 3 removed from agenda. Dir. Butler made a motion to approve Option 2 with clarifying amendment language. Dir. Rand seconded. Discussion followed on amendment language. Pres. Stromquist recommended language change affecting Option B2 Paragraph two to add after renegotiate -- within 20 business days and if renegotiation fails the contract proceeds as originally planned. Dir. Butler moved to approve the resolution B2 authorizing the phasing of reconstruction of Runway 9/2 project, phase 1 commencing in May or June 2016 with amendment language affecting paragraph two as Pres. Stromquist recommended. Dir. Ross seconded. Discussion followed. Dir. Mullen opposed. Motion carried.

Pres. Stromquist moved back to the original resolution to approve Option B2 with clarifying amendment language. Dir. Butler moved to approve the resolution for Option B2. Dir. Rand seconded. Dir. Mullen opposed. Motioned carried.

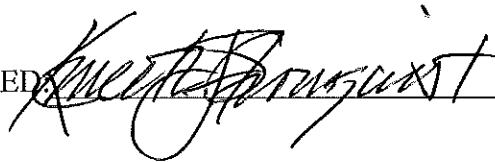
Dir. Butler moved to adjourn the special meeting. Dir. Mullen seconded, motion carried.

Pres. Stromquist adjourned the March 21st special meeting at 12:55 p.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED



DATE:

4-19-16