



MINUTES OF THE MEETING

DATE: March 15, 2016

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

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

DIRECTORS ABSENT: Sue Ross

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
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Darren Christopher, RS&H
Mark Ketterer, AAR
Rob Cotter, Allete
Jerry Simonson, Hertz
Tim Peiper, Overlandwest, Inc.
Candace Renalls, DNT

President Stromquist 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, which is restricted to three minutes. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air service numbers are in packet, Delta has modest decrease and United is flat year to date. Mr. Werner presented a thorough air service industry update explaining

challenges and opportunities at Duluth International Airport. He touched on Regional airlines, consolidation of air service, loss of the 50 seat fleet, and pilot shortage. Spoke on opportunities moving forward -- continuing to work with air service partners, customer service and maximizing marketing dollars. Mr. Werner will be attending a conference in June and will meet with several new air lines.

Airfield operations and development: Mr. Werner gave a quick update on the 9/27 reconstruction -- continuing to work with City and Legislative partners on discussions for solutions on AAR concerns, will take action soon. Blaine Peterson, Director of Operations, Airside -- spoke on the May 2016 Part 139 full response emergency exercise, active shooter scenario, there will be community involvement; Lake Superior Helicopter self-fueling permit application, more information next month. Landside -- Fixed Base Operations/General Aviation Facility remodel should move in two weeks, second phase to begin, Monaco will present an update next month. Business Development -- Mr. John DeCoster, Trillion Aviation, updated on the Cirrus long term extensions for Hangars 7/8 and 9/10 leases; Lake Superior Helicopter lease, more to come next month; Civil Air Patrol and 911 building, working through details; FedEx development moving forward; potential new prospect tenant for the terminal, very interested, working through details; Verizon cell antenna -- have reached an agreement and moving forward and briefed on the Republic Parking assignment and Hertz rental car assignment. Sky Harbor -- conversations on-going with Hangar #11 lot and Hangar #10 potential purchase agreement.

- Financial: Ms. Joelle Bodin, Director of Finance and Administration, presented a financial handout example and requested any input ideas. Questions and comments followed. State auditors should be here beginning next week.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on terminal updates -- water bottle filling station installed; service animal stations and water pet dish locations and parking ramp corporate parking -- one spot remaining.
- Legislative update: Mr. Werner mentioned the Duluth and St. Louis County Days is next week, DAA will have a booth.
- The next Northern Aero Alliance meeting is scheduled for tomorrow, March 16th at the Hermantown Chamber office.
- The Minnesota Council of Airports (MCOA) conference will be held in Brainerd, April 20 through the 22nd.
- Mr. Werner will be on a family vacation the end of March; Mr. Peterson will be the acting Executive Director.

Questions and discussion followed on several of the Executive Director's review items. Dir. Rand moved to approve the February 16th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #3, and #4, 2016. Construction fund sheet #3, 2016.

Copy of request for support letter and information from the Local Airline Service Action Committee (LASAC) to Senator Klobuchar and Senator Franken regarding the reauthorization of the Federal Aviation Administration.

Duluth International News: WDIO news release – “Main Runway Reconstruction Plan Poses Challenges for Airport Officials, Tenants”; DNT news release – “Our View: One Vote Can Fix Two Aviation Woes”.

E-mail notification from DAA to Commercial Vehicle Policy Stakeholder group regarding the Public Informational meeting for the 2016 DAA Commercial Vehicle Policy; e-mail reminder for the public informational meeting and e-mail and information concerning the Commercial Vehicle Policy informational meeting.

Letter from Gallagher & Kennedy to DAA regarding sale of Hansen Lease and Rental, Inc. and Hansen Lease and Rental of Fargo, Inc. to Overland West, Inc.

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

OPPORTUNITY FOR PERSONS TO BE HEARD

One public person signed up, but withdrew as there were no discussion concerning the 9/27 reconstruction project.

OLD BUSINESS

Mr. DeCoster gave background information on the third party ground handlers agreement, have invited representatives to present at these meetings. He spoke on options moving forward. Mr. Werner detailed further. Questions and detailed discussion followed. Dir. Stewart moved to approve the Duluth Airport Authority operating agreement for third party contractor ramp and passenger services at Duluth International Airport with DAL Global Services, LLC. Dir. Mullen seconded. Motion carried.

Ms. Peterson spoke on the process and timeline for the commercial vehicle policy. This will be effective April 1st if approved. She also explained the gate access is monitored, so will have detailed data information moving forward. Questions followed. The Directors thanked Ms. Peterson for her great work with this policy. Ms. Peterson thanked Visit Duluth for their support with the hospitality partnership during this process. Dir. Mullen moved to approve the resolution to approve the 2016 DAA commercial vehicle policy. Dir. Tanski seconded. Motion carried.

Ms. Bodin explained the Commercial Vehicle Policy rate structure needed to be adjusted. Dir. Stewart moved to approve the addition of the 2016 Commercial Vehicle Permit rates to the 2016 Rates and Charges addendum. Dir. Butler seconded. Motion carried.

NEW BUSINESS

Ms. Bodin explained the property and equipment insurance with the City. Questions followed. Dir. Butler moved to approve the resolution authorizing an agreement to insure certain Duluth Airport Authority property and equipment under the City of Duluth's property insurance policy in the amount of \$47,495. Dir. Rand seconded. Motion carried.

Mr. Peterson spoke on the issue with the parking ramp lighting and the project. Questions followed. Ms. Bodin detailed on the CFC funding. Questions and discussion continued. Dir. Stewart moved to table this resolution to approve the use of CFCs to add and improve lighting in the rental car area of the parking structure for further information. Dir. Mullen seconded. Motion carried.


Mr. Peterson summarized on the air show amendment. Dir. Stewart moved to approve the resolution to approve amendment #1 to the 2014 Air Show and Exhibition agreement between the Duluth Airport Authority and Kernz and Kompany, Inc. amended and restated. Dir. Mullen seconded. Motion carried.

Mr. Peterson detailed on the cleaning extension contract and recommended approval. Dir. Rand moved to approve the resolution for a one year extension of the cleaning service contract between the Duluth Airport Authority and Crystal Clean of the North, Inc./Marsden Building Maintenance, LLC. Dir. Butler seconded. Motion carried.

Dir. Mullen moved to adjourn the March 15th meeting. Dir. Rand seconded. Motion carried. Pres. Stromquist adjourned the March DAA board meeting at 9:32 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 4-19-16