



MINUTES OF THE MEETING

DATE: October 18, 2016

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

DIRECTORS PRESENT: Pat Mullen
Ken Butler
Anna Tanski
Sue Ross
Richard Stewart

DIRECTORS ABSENT: Todd Fedora

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
Brian Madsen, Sky Harbor Manager
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Jacque Gamet, SEH
Shawn McMahan, SEH
Scott Sannes, SEH
Mike Magni, Monaco Air Duluth
Mark Ketterer, AAR
Faye and Robert Topliff, CCEC
Ray McClelland, Property Owner

President Mullen welcomed everyone and called the meeting to order at 8:00 a.m. 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: Good news this month -- year to date (YTD) numbers decreased by 7.6%, but increased September 2016 compared to September 2015 by 7%, Delta YTD decreased by 2.1 with an increase by 17.5% September to September 2015 --

strong month due to Delta utilizing aircraft with larger seat capacity, United YTD decreased .3%; Sun Country Charters -- a consortium of cities is interested in a charter to the Reno/Tahoe area, have talked with Eldorado Casino considering marketing concepts; Allegiant Phoenix/Mesa attraction strategy, have met with Visit Duluth to build support, in the stakeholder's engagement phase, Allegiant has not made a decision, hopefully by the end of the year.

- Airfield operations and development:

- * Airside: A meeting is scheduled with AAR and City of Duluth later this month; Ms. Kaci Nowicki, SEH, summarized on the Triggering event master plan, spoke on process for resolving taxiway echo hot spot, alternatives and overview, spoke on noise contours. She introduced Ms. Jacque Gamet, SEH, to summarize on the development, existing noise contours, the Part 150 noise study and next steps – questions followed on noise contours, Ms. Nowicki detailed further and spoke on the next steps for the triggering event master plan; Mr. Blaine Peterson, Director of Operations, spoke on Phase 3 relocation of FAA threshold runway end lights, an initial meeting with FAA was held in October, additional updates in future, Mr. Werner detailed further, Mr. Peterson spoke on the timeline.

- * Landside: Cirrus completion center project timeline is on schedule for final completion November 2nd; Finalizing RFP for the Terminal cleaning and maintenance contract, recommendation for approval in future months with start date of March 1st for contract; FAA ILS reconstruction happening now, installing equipment, target date for completion before the Thanksgiving holiday.

- * Business Development: Mr. Werner updated on the acquisition of property for Mr. Ray McClelland, have complied with request for information from Mr. McClelland, data is in packet, standing offer for land is until the end of the month; Winter testing facility, the army winter testing team will be staying in Michigan for one more year, working with Monaco Air on strategy for a long term approach; Parking management contract, responses due Friday, evaluation team to look over with recommendation for approval at November meeting; FedEx development – noted handout correspondence from DAA regarding terms and conditions on development process, going through environmental process for site, ongoing discussions, more to come; Air National Guard land lease – to continue economic development on that property pursuing lease extension with the Guard Bureau during environmental cleanup and monitoring process.

- * Sky Harbor: Hangar 11 Amendment is on this agenda will speak on specifics at that time.

- Financial: Ms. Joelle Bodin, Director of Finance & Administration, summarized on the collective bargaining unit negotiation key changes, negotiation went very well. Hope to have contract for approval in November.

- Marketing update: Ms. Natalie Peterson, Director of Marketing & Communications, spoke and presented the video showcasing Sky Harbor Airport, this has been shared on the DAA website and social media. The Board expressed their appreciation for the fantastic work, great for overall tourism in this area. Partnering with Duluth Pack and SkyWest, January will launch a promotional give away package. Bentleyview volunteer night is tentatively scheduled for December 18th.
- Legislative update: Mr. Werner commented on the capital funding request, situation remains the same, meeting in a few weeks with the Governor's staff to update on proposal; MnDOT appropriation, continue to move that forward through MCOA; State zoning reform, moving this forward through MCOA as well.
- Other Items: Aviation Cluster Economic Impact Study, working with MN DEED, collecting data at this time. Recommendations to the Mayor for the vacant Director's position, spoke on criteria for candidates, discussion and comments followed on direction, addressing potential candidates, plan to receive permission from candidates and have further discussions addressing this at the next board meeting.

Questions and discussion followed on several of the Executive Director's review items. Dir. Stewart moved to approve the September 20th meeting minutes and other consent items below. Dir. Butler seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #18, #19 and #20, 2016 and Construction Fund Sheet #8, 2016.

Letter from DAA to fellow aviation cluster members regarding data request for the Aviation Cluster Economic Impact Study.

Letter from Congressman Rick Nolan to DAA "America's Local Airports Get Big Boost as House Passes Nolan's FAA Reform Bill".

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

Copy of letter from and data to Mr. Ray McClelland per his September 20, 2016 request.

August 2016 financial report, September 2016 accounts receivables and airline statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

Ms. Fay Topliff was welcomed and invited to speak to the Board. Ms. Topliff mentioned she was planning to comment on noise monitoring, but after listening to the Executive Review it appears DAA is moving forward. She expressed her pleasure in the actual noise monitoring planned in the future. Ms. Topliff also questioned the

microphone and speaker system in the conference room, she has a hard time hearing all the discussions. The Board complimented Ms. Topliff on her commercial for Congressman Nolan. She was thanked for her comments.

OLD BUSINESS

Ms. Bodin summarized on the 2017 rates and charges and recommended approval. Dir. Butler moved to approve the DAA 2017 rates and charges. Dir. Tanski seconded. Motion carried.

Ms. Bodin detailed on the finalized budget for 2017. Questions and discussion followed. Dir. Stewart moved to approve the Duluth Airport Authority budget for the fiscal year 2017. Dir. Tanski seconded. Motion carried.

Mr. Werner gave background information on the Hangar 11 amendment, outlined the language changes and recommended approval. Questions and discussion followed. Dir. Ross moved to approve the resolution rescinding resolution of May 17, 2016 which authorized an amendment to the Hangar 11 land lease at Sky Harbor Airport and further authorizing a new amendment to the Hangar 11 land lease at Sky Harbor Airport. Dir. Butler seconded. Motion carried.

Mr. Werner spoke on the Monaco Foundation vacant seat and recommended approval for Dir. Stewart. Dir. Butler moved to approve the resolution for Richard Stewart as the Duluth Airport Authority's representative on the Monaco Foundation Board of Directors. Dir. Tanski seconded. Motion carried. Pres. Mullen congratulated Dir. Stewart.

NEW BUSINESS

Mr. Werner summarized on the committee structure and updated Bylaws. Questions followed on chair appointments and language modification. Dir. Tanski moved to approve the amendments to the Duluth Airport Authority Bylaws with language modification. Dir. Butler seconded. Motion carried. Pres. Mullen thanked the Board for their support for committee structure and spoke on next steps. Have identified three committees and intend to appoint the following as Chairs -- Dir. Fedora, Finance; Dir. Tanski, Marketing and Dir. Butler, Business Development. These three Chairs will meet before the next meeting with Mr. Werner to develop guidelines for committee meetings.

Mr. Werner detailed on the short term hangar lease and recommended approval. Questions followed with recommendation to modify language to the template.

Dir. Stewart moved to approve the resolution for a short term hangar lease agreement between the Duluth Airport Authority and Duluth Aviation Institute. Dir. Ross seconded. Motion carried.

Mr. Werner explained he will be unavailable next month for the regular scheduled Board meeting date and recommended rescheduling the November board meeting. Board members will be contacted to reschedule a date in November. Dir. Stewart requested a copy of the City's Uber contract if possible. Pres. Mullen recognized Dir. Butler as being named Super Lawyer, by the Super Lawyer Magazine.

Dir. Tanski moved to adjourn the October 18th meeting. Dir. Stewart seconded. Motion carried. Pres. Mullen adjourned the October 18th DAA Board meeting at 9:30 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: _____

Robert K. Mullen

DATE: _____

11-22-16