



MINUTES OF THE MEETING

DATE: January 19, 2016

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

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

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
Brian Madsen, Sky Harbor Manager
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahan, SEH
Darren Christopher, RS&H
Bill King, Cirrus Design

President Stromquist welcomed everyone and called the meeting to order at 8:00 a.m. He mentioned due to the weather, several of the Directors will arrive a little late, there is a quorum so will start the meeting. He reminded the public to sign in for the Opportunity to be Heard section, which is restricted to three minutes. He explained a portion of the agenda will be closed for the annual Executive Director evaluation and explained the process. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air service continues on same trend with year to date air service total passenger numbers decreased by 14%, December numbers decreased by

18.7%, Delta decrease of 4.2% and United increase of 3.1%. Information sent to a new air service prospect received well, but they will not serve Duluth at this time. Will have follow up conversation at Jump Start Conference.

Dir. Stewart arrived at the meeting 8:05 a.m.

- Airfield operations and development: Mr. Blaine Peterson, Director of Operations, Airside introduced Ms. Benita Crow and Ms. Kaci Nowicki, SEH, to present on the engineer report for phase 2 and 3 for Runway 9/27. They overviewed on the 9/27 Runway project, questions followed.

Dir. Rand arrived at the meeting 8:15 a.m.

Mr. Peterson spoke on the Runway 9/27 center section project – badge training and security requirements are next and air show amendment and contract extension; Landside – updated on the construction process for the Fixed Base Operations/General Aviation Facility; Business Development -- Mr. Werner updated on the Commercial Vehicle Policy information feedback process and issues, will assess the policy within sixty days. Mr. Werner expressed his appreciation to DNT for their well-balanced objective story on this issue; Quick turnaround facility (QTA) – continued discussions; New terminal prospect – valued addition, discussion to come; Oakwells landside service attendant service has closed due to declining passengers; Sky Harbor -- Hangar #10 potential purchase agreement and more details in February for the Hangar #11 progress.

- Financial: Ms. Joelle Bodin, Director of Finance and Administration, spoke on the NetSuite accounting software update – 100% operational on the accounting software, comparisons of old and new financial reports, working on adjusting processes and moving forward. Requested input and feedback on future reports. Mr. Werner detailed further.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, updated on the preparation and finalization for the St. Louis County and Duluth Days at the Capitol.
- Legislative: Mr. Werner spoke on the Governors Bonding proposal; DAA request was included and congratulated all on their efforts.
- Conference recap: Air Service Data and Planning seminar was great and very informative.

Questions and discussion followed on several of the Executive Director's review items. Pres. Stromquist expressed his appreciation to the DAA staff for their response to the noise and airport expansion issues. Dir. Stewart moved to approve the January 19th meeting minutes and other consent items below.

Dir. Butler seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #24, #25 and #26, 2015. Construction fund sheet #1, 2016.

Summary letter and attachments from DAA to representative Murphy regarding recent noise and airport expansion related discussions.

Update letter from DAA to property owner regarding status of the environmental review of parcels.

E-mail from Monaco Air Foundation with summary of December 2015 activities.

OPPORTUNITY FOR PERSONS TO BE HEARD

None

OLD BUSINESS

Pres. Stromquist explained Item A would be tabled.

NEW BUSINESS

Mr. Werner spoke on the renewal for the ATM agreement. Dir. Rand moved to approve the resolution for the ATM concession agreement between the Duluth Air Port Authority and DATM, Inc. Dir. Stewart seconded. Motion carried.

Mr. Werner gave background information on a renewal lease agreement and recommended approval. Questions followed. Dir. Mullen moved to approve the resolution for a lease agreement between the Duluth Airport Authority and Quality Mechanical Services, Inc. Dir. Rand seconded. Motion carried.

Ms. Peterson summarized and explained the process for the DAA art policy. Dir. Stewart recommended language change to Item 11 to include consultation with the Airport Authority Board. Questions and discussion followed. Dir. Butler moved to approve the resolution for the Duluth International Airport Art Polity with Dir. Stewart's recommendation. Dir. Tanski seconded. Motion carried.

Dir. Mullen moved to close the meeting to evaluate the performance of Executive Director, Mr. Tom Werner, pursuant to Minn. Stat. 13D.05 subd.3 (a). Dir. Rand seconded. Motion carried.

Pres. Stromquist closed the January 19th DAA board meeting at 9:11 a.m.

Pres. Stromquist reconvened the January 19th DAA board meeting at 10:08 a.m.

Pres. Stromquist summarized on the Executive Director evaluation. The board has reviewed the 2015 Executive Director Work plan and agreed it has been accomplished in a satisfactory manner. The board recommends a one time work plan incentive payment of \$3,500 respecting his achievements in 2015. They strongly recommend greater emphasis on passenger enplanements for 2016 and the work plan will be revised to reflect this. The work plan will also be modified to include a 360 review of the Executive Director.

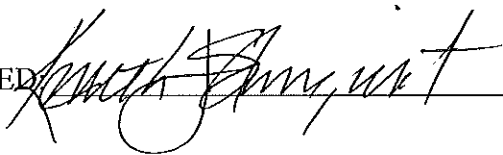
Dir. Butler moved to approve a one-time incentive payment of \$3,500 for the DAA Executive Director. Dir. Tanski seconded. Motion carried.

Dir. Butler moved to adjourn the January 19th meeting. Dir. Rand seconded. Motion carried. Pres. Stromquist adjourned the January DAA board meeting at 10:12 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED



DATE:

2-16-16