



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: January 15, 2019

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Todd Fedora
Kim Maki

DIRECTORS ABSENT: Richard Stewart
Don McIsaac

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Blaine Peterson, Director of Operations
Natalie Peterson, Director of Communications & Marketing
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Airport Facilities Manager
Kathy Leon, Confidential Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Mike Magni, Monaco Air Duluth
Bill King, Cirrus
Ryan Jones, KLJ
Peter DeSutter, AAR
Ryan Juntti, WDIO

President Butler called the meeting to order at 8:00 a.m. and 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. Mr. Werner updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: A very good year with a 13% increase year to date (YTD) passenger numbers and an increase of 37% from December 2017 to 2018. Delta had a 3% YTD increase; United has been the backbone for the passenger growth with a very successful year, a 29.6% increase and a staggering December 2017 to 2018 increase of 90%. He updated on United's route evolution to O'Hare, United has decided to take over the entire route and will be converting it to a Contract Purchase Agreement (CPA) route. Nashville Charter update – have been working hard on the marketing for this package. Ms. Natalie Peterson, Director of Communications and Marketing, reviewed the marketing strategies at this time. Questions followed.

Dir. Tanski arrived at 8:07 a.m.

Mr. Werner presented a quarterly air service update, reviewing load factors, flights, on time performances, leakage and fare samplings. Questions followed.

- Airfield operations and development:
 - * Airside:
 - Mr. Werner explained the Master Plan; it is an airport's blueprint for long-term development. Several scoping meetings have been held; he overviewed on the process, goals, challenges, roles, responsibilities and timelines. Ms. Kaci Nowicki, SEH, spoke on the general Master Plan scope outline and presented examples for public outreach, involvement committees, inventory, forecasts, facility needs and alternatives, implementation, environmental overview and the Airport Layout Plan update. Mr. Werner detailed further. Ms. Nowicki explained the use for outside technical review, initial steps and the timeline. Mr. Werner spoke on the vast amount of work for this project -- the two main milestones moving forward will be the development for public involvement and Board approval for the scope of work in March. Questions and discussion followed.
 - Mr. Blaine Peterson, Director of Operations, updated on the Runway 9/27 reconstruction Phase 3, two upcoming meetings – ongoing discussions with FAA and preconstruction meeting with contractors for this portion of the project; next month will present to the Board a roadmap for this project. Mr. Peterson continued on to the Delta Global Services merger update – summarized on the ground handling merger process, changes, lost benefits and possible impacts due to the change; monitoring process. Updated on the winter operations during the holiday snowstorm and recent ice storm – no cancellations but several delays. Thanks to the snow operations maintenance crew for providing safe operations during these circumstances.
 - * Landside: Mr. Ryan Welch, Airport Facilities Manager, overviewed the IT systems at the airport, spoke on current security defenses and moving forward with training, exercising the backup plan and insurance coverage. Questions and discussion followed.
- Business/Property Development: Mr. Werner referred to the handout letter received yesterday; he spoke on the shuttle company's background information, partnership with Sun Country Airlines and concept of operations. He detailed on concerns, goals and ongoing conversations. Questions and discussion followed. Ms. Jana Kayser, DAA Business Development Manager, updated on the Transportation Network Company's (TNC) rate and operating agreements, she explained the negotiations process and proposals.
- Financial: Ms. Joelle Bodin, Director of Finance and Administration, updated on the 2018 audit process, will continue to use the State auditors and expect the audit to begin mid-March. Insurance policy renewal with the City of Duluth – hope to have the agreement to the Board in February, which will hopefully have the Cyber Security insurance addressed.
- Marketing: Ms. Peterson – the Club DLH event will be January 30th at 4 p.m. Fly Local campaign is ready to go, plan to launch in February. Questions followed.
- Other: Mr. Peterson spoke on the Joint Airport Zoning Board (JAZB). Normally meet quarterly but have begun monthly meetings – moving forward for drafting of the new Zoning Ordinance; will be updating the JAZB on the Master Plan as well. Government shutdown – at this time no impacts with our TSA operations. Questions and discussion followed.

Dir. Maki left the meeting at 9:17 a.m.

Questions and discussion followed on several of the Executive Director's review items. Pres. Butler recommended amending the agenda to include the add in resolutions. Dir. Tanski moved to amend the agenda to have add in New Business J and K resolutions included in this agenda. Dir. Fellman seconded. Motion carried

NEW BUSINESS ADD INS J AND K

Ms. Kayser summarized on the consent for approval for the lease agreement and recommended approval. Dir. Tanski moved to approve Item J resolution for the Duluth Airport Authority to consent and approve the lease agreement between Curtis Fisher and Monaco Air Duluth, LLC. Dir. Fellman seconded. Motion carried.

Ms. Kayser spoke on the amendment to the lease agreement and recommended approval. Dir. Tanski moved to approve Item K resolution for the Duluth Airport Authority to consent and approve the first amendment to the lease agreement between Curtis Fisher and Monaco Air Duluth, LLC. Dir. Fellman seconded. Motion carried.

Pres. Butler moved back to the formal agenda. Dir. Tanski moved to approve the December 18, 2018 meeting minutes and other consent items. Dir. Fellman seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #25 and #26, 2018.

Airport news: Duluth International Airport "Opening Soon: The Club DLH Business Suite".

Monaco Air Duluth Recognition -- FltPlan.com "Pilots' Choice Awards 2018".

E-Mail from Monaco Air Foundation with summary of December 2018 activities.

Letter from Avis, Sonju Enterprises to DAA expressing interest in additional counter space at Duluth International Airport.

Monthly Duluth International Airport tenant operations meeting minutes January 8, 2018.

Link for Metropolitan Airports Commission (MAC) Commission Minutes – <https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

NEW BUSINESS

Ms. Kayser overviewed on the amendment to the vehicle rental lease. Dir. Fedora moved to approve the amendment to the vehicle rental lease and concession agreement between the Duluth Airport Authority and Sonju Enterprises, Inc. Dir. Tanski seconded. Motion carried.

Pres. Butler recommended due to having only four directors present, to postpone Items B through F until the February board meeting, with the understanding that what is determined at that time will be retroactive. Dir. Tanski moved to table Items B, C, D and F regarding the Executive Director's evaluation until the February Board meeting. Dir. Fellman seconded. Motion carried.

Dir. Fedora referred to the Correspondence section and the Monaco Air Duluth recognition as #5 on the Pilot's Choice Awards. Congratulations to the Monaco Air team.

Dir. Tanski moved to adjourn the meeting. Dir. Fellman seconded. Motion carried. President Butler adjourned the January 15th DAA Board meeting at 9:24 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth P. Butler DATE: 2-19-19