



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: March 19, 2019

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Richard Stewart
Todd Fedora
Kim Maki
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
Jana Kayser, Business Development Manager
Brian Madsen, Sky Harbor Manager
Kathy Leon, Confidential Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Brandon Twedt, SEH
Don Monaco, Monaco Air Duluth
Peter DeSutter, AAR
Ryan Jones, KLJ
Eric Monson, LSH

President Butler 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. 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: Solid positive trend continues with a 6.5% increase year to date (YTD) passenger from February 2018 to 2019. Delta 1.6% YTD decrease and United with a 17.9% increase, very strong performance; he reminded the Board that United has a route conversion at the end of March, proving their confidence in a profitable route; also mentioned next month will be one year mark for the mainline service, so increases will most likely be more modest. Nashville Charter – due to advanced bookings falling short, have canceled the May

charter itinerary; potentially may reschedule for September or later – spoke on the time consuming process for this endeavor and thanked Ms. Natalie Peterson, Director of Communications and Marketing, for her hard work.

- Airfield operations and development:
 - * Airside: Mr. Werner presented an update on the Master Plan – summarized and spoke on the vision, process objectives, draft scope and preliminary budget. He spoke on the initial steps, next steps and project timeline. Questions and discussion followed; plan to bring the Master Plan scope to the Board next month for approval. Mr. Werner invited Ms. Kaci Nowicki, SEH, to present on the comprehensive noise study. Ms. Nowicki overviewed and detailed on the FAR Part 150 noise study process and steps. She explained the Master Plan scope and noise study are two different projects that do need to run parallel during this coordination process. Anticipate presenting for Board approval in May and the grant process to follow. Questions and discussion followed. Mr. Blaine Peterson, Director of Operations, updated on winter operations due to heavy snow fall last month, he reviewed on the impact to the budget with these events -- diesel fuel, sand and maintenance of vehicles; kudos to the maintenance crew. Mr. Peterson updated on the Runway 9/27 reconstruction Phase 3 – held the second workgroup construction meeting, very light attendance; have asked the Tenant Association's help in promoting attendance for these important meetings -- minutes from this meeting are in the packet, he highlighted several key notes.
 - * Landside: Mr. Peterson explained the roof leakage problem at the Terminal; a massive amount of snow was removed -- investigating into the cause of damage and working on solutions. Due to the snow, Hangar 103 also had an emergency roof situation with another large amount of snow removed.
 - * Sky Harbor: Mr. Peterson spoke on an opportunity to increase the runway width, gave background information, timeline and process – have scheduled several meeting today to present and have an opportunity for feedback from the community. Questions followed. Mr. Peterson updated on the runway realignment Phase 3 schedule alternatives. Spoke on concerns, timeline and impacts. Public outreach will be planned with timeline and impacts if extended into 2020, Mr. Werner detailed further.
- Financial: Ms. Joelle, Bodin, Director of Finance and Administration, the State Auditors arrived yesterday, she spoke on the planned timeline for the audit.
- Marketing: Ms. Natalie Peterson, Director of Communications & Marketing, the Fly Local campaign has launched – have had meetings with the City and St. Louis County; plan to follow up with the larger businesses in the community. The Duluth and St. Louis County Days at the Capitol was very successful with very positive feedback. Working on the American Airlines launch, more information to come.
- Legislative: Mr. Werner updated on the Airport Zoning Legislation – has passed the House Transportation Committee, the plan for the Senate is that it should be adopted. Passenger Facility Charge (PFC) increase – attended meetings in Washington and had meeting opportunities with the MN delegation regarding the importance of aviation statewide and

Duluth Airport local projects, plan a roundtable PFC discussion with Congressman Stauber and MCOA representatives in April for his support.

- Presentations Recap: Mr. Werner had the opportunity to present to the UWS Air Transportation Management class – very good group.
- Other: Mr. Peterson updated on the Joint Airport Zoning Board and the draft zoning ordinance process and timeline. Mr. Werner reminded the Board that the MN Airport conference is scheduled in Wilmar; April 24 through April 26, if interested let him know.

Questions and discussion followed on several of the Executive Director's review items. Dir. McIsaac moved to approve the February 19, 2019 meeting minutes and other consent items. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #4 and #5, 2019. Construction Fund Sheet #3, 2019.

Duluth International Airport News: Duluth Airport News Release "A New Way to Help Your Community Soar Takes Flight at Duluth Days: Introducing the Fly Local Pledge".

February 26, 2019 SEH Working Group II Agenda.

E-Mail from Monaco Air Foundation with Summary of February 2019 Activities.

Letter from DAA to Senator Tina Smith and Senator Amy Klobuchar Requesting Support for Increase in Passenger Facility Charges (PFC) in the Infrastructure Bill.

Letter from Minnesota Council of Airports (MCOA) Urging Congress to Update Federal Policy for Funding Airport Infrastructure Projects.

Monthly Duluth International Airport Tenant Operations Meeting Minutes.

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. Jana Kayser, Business Development Manager, detailed on the airline lease agreement and recommended approval. Dir. Stewart moved to approve the resolution for the airline use and

lease agreement between the Duluth Airport Authority and American Airlines, Inc. Dir. McIsaac seconded. Motion carried.

Ms. Kayser spoke on background information and reviewed the terminal use agreement -- she recommended approval. Dir. Fedora moved to approve the terminal use agreement between the Duluth Airport Authority and Monaco Air Duluth. Dir. Stewart seconded. Motion carried.

Ms. Kayser recommended Item C and D be approved as one -- they are two different companies, operating agreements have the same language, she summarized on the operating agreement and fees. Questions followed. Dir. Tanski moved to approve resolutions Item C and D for the Transportation Network Company (TNC) operating agreements between the Duluth Airport Authority and Rasier LLC (Uber) and Lyft, Inc. Dir. Fedora seconded. Motion carried.

Ms. Bodin explained the amended rates and charges were to adjust the TNC rates. Dir. Fedora moved to approve the resolution for the amended 2019 rates and charges addendum. Dir. McIsaac seconded. Motion carried.

Dir. Tanski moved to adjourn the meeting. Dir. McIsaac seconded. Motion carried. President Butler adjourned the March 19th DAA Board meeting at 9:15 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth Butler DATE: 4/16/19