MINUTES OF THE MEETING

DATE:	December 19, 2017
PLACE:	Amatuzio Conference Room Duluth International Airport, Duluth, MN
DIRECTORS PRESENT:	Ken Butler Anna Tanski Richard Stewart Todd Fedora Pascha Apter
DIRECTORS ABSENT:	Craig Fellman Pat Mullen
OTHERS PRESENT:	Tom Werner, Executive Director Mary Ann Wittkop, Recording Secretary Blaine Peterson, Director of Operations Natalie Peterson, Director of Marketing & Communications Kathy Carver, Confidential Bookkeeper Jana Kayser, Part Time Bookkeeper Benita Crow, SEH Kaci Nowicki, SEH Shawn McMahon, SEH Don Monaco, Monaco Air Duluth Eric Monson, LSH Garrett Bock, DGS Jackie VanValkenburg, DGS

President Butler welcomed everyone and called the meeting to order at 8:02 a.m. He reminded the public to sign in for the Opportunity to be Heard section. Mr. Tom Werner, Executive Director, explained there would be two employee recognitions and invited Mr. Garrett Bock, Delta Global Services (DGS) to the table. A frequent international travel wanted to commend Mr. Bock as he always has a pleasant personality and provides above and beyond customer service. Ms. Jackie VanValkenburg, DGS, was invited to the table. Mr. Werner spoke on a letter received from a traveling couple expressing their appreciation for her calm, professional service as she took care of rescheduling and taking care of them during a very stressful time. Mr. Werner and the Board thanked Mr. Bock and Ms. VanValkenburg for their outstanding customer service. Mr. Werner presented on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – remains flat at 1.9%, Delta YTD 4.8% decrease, United YTD stayed consistent with 3.6% increase, load

factors continue to be strong through the construction months. He announced that corporate United has decided to convert to mainline service due to the great organic growth of this route in the last five years. Phoenix/Mesa air service attraction update – have submitted application for grant, should be reviewed soon. Nashville charter update – looks very positive that we will have Sun Country Nashville service in the third quarter of next year -- exciting to see this new option for flyers. Questions followed.

- Airfield operations and development:
  * Airside: Mr. Blaine Peterson, Director of Operations, updated on the Runway 9/27 construction project -- reviewed on timeline, completed 3,000 feet of grooving on the runway, due to weather will come back in early spring to complete. Airfield fence construction – mostly complete, minor adjustments in the springtime. Mr. Werner mentioned due to the ungrooved portion of the runway, they had anticipated longer recovery time with weather events, but with the experienced airfield maintenance crew, they are able to manage with no problems.
  * Business Development: Mr. Werner updated on three signatory airline agreements, Delta, SkyWest and United mainline – reviewing drafts, spoke on timeline for negotiations and Board approval. Mr. Werner briefed on the DLH and Sky Harbor vending RFP timeline and process.
  * Sky Harbor: Mr. Peterson overviewed on the Runway 14/32 relocation project, complete for the year and ahead of schedule; he detailed on the completed work and presented a time-lapse video of the project. Questions and comments followed. Mr. Werner detailed further on dredge material issues. Mr. Werner updated on Lot 8 for hangar development – request for proposal is being reviewed. Sky Harbor vacant office suite – being reviewed by prospect, no update at this time.
- Financial Update: Dir. Fedora spoke and summarized on the pocket overdraft on the financial statement. Mr. Werner detailed further on the reimbursement process.
- Marketing Update: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on the great sponsorship with the Home for the Holidays promotion. Holiday cookies for travelers will be handed out this week and reminded everyone that the DAA holiday party will be this Thursday.
- Legislative update: Mr. Werner updated on the correspondence regarding PFCs and the orientation presentation to the local delegation and community leaders to update on the Statewide Airport Zoning Reform – very well received, attended and supported by the communities.
- Other: Holiday party on Thursday and the February board meeting will be at Hangar 103, Lake Superior College with a tour to follow.

Dir. Stewart moved to approve the November 21st meeting minutes and other consent items. Dir. Apter seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #23, and #24, 2017. Construction fund sheets #10, #11 and #12, 2017.
Runway 9/27 reconstruction update letter from DAA to airport stakeholders.
Letter from AAAE, Airports Council International (ACI) and U.S. Travel Association to Chairmen Cochren and Collins, Vice Chairman Leahy and Ranking, Member Reed renewing a request to adopt a fiscally responsible proposal to adjust the Passenger Facility Charge (PFC).
Appreciation letter and recognition feedback from two separate travelling passengers thanking Delta ticket agents for their positive, professional work ethic and assistance.
Letter from Deputy City Attorney to PCI regarding PciRoads construction contracts – Duluth International Airport Runway 9-27.
E-Mail from Monaco Air Foundation with summary of November 2017 activities.
City of Duluth Certified Copy Ordinance: 10532.
Orientation on Statewide Airport Zoning Reform HF1933/SF2314.
Letter from FAA to DAA regarding Passenger Facility Charge (PFC) application 10-09-C-00DLH closeout.
Monthly construction project progress report for Runway 9/27 Reconstruction, Phase 1 Report #5, Runway 9/27 Reconstruction, Phase 2 Report #5 and Sky Harbor Airport Runway Relocation, Phase 1 Report #5.
Runway 9/27 Reconstruction Duluth International Airport (DLH) Project Update No. 14 and Project Update No. 15.
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

Mr. Werner summarized on the subcommittee calendar for 2018. Dir. Apter moved to approve the 2018 DAA Subcommittee calendar. Dir. Tanski seconded. Motion carried.

Mr. Werner recommended the approval of an incentive award for the Director of Operations for his tremendous work during a challenging construction year. Dir. Stewart moved to approve an

incentive award payment of $2,500 for outstanding performance per the DAA Operations Policy #5 Employee Incentive Awards to Mr. Blaine Peterson, Director of Operations. Dir. Tanski seconded. Motion carried.

Mr. Peterson overviewed on the work order and mentioned one correction; change the submittal date on page five to 2018. Dir. Tanski moved to approve the SEH Work Order No. 2017-10 for final design, plans and specifications and bidding services for Runway 9/27 reconstruction project phase 3 between the Duluth Airport Authority and Short Elliott Hendrickson, Inc. (SEH). Dir. Stewart seconded. Motion carried.

Dir. Apter moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Pres. Butler adjourned the December 19th DAA Board meeting at 8:36 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth A. Butler DATE: 1/16/18