



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: May 15, 2018

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Richard Stewart
Todd Fedora
Pascha Apter

DIRECTORS ABSENT: Pat Mullen

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
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Andrew Samberg, RS&H
Jerry Simonson, Hertz Car Rental
Chuck Bergquist, Duluth Air Show

President Butler welcomed everyone and called the meeting to order at 8:01 a.m. He invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner presented and updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – the United mainline numbers are now integrated in these statistics with passenger growth just under 5% and 18% growth April 2017 to 2018; Delta YTD .5% decrease, United strong with 14%

increase and 37.75% increase from 2017 to 2018; the United mainline average load factor is 55%, which is acceptable, hoping that will rise during the summer months. SkyWest has agreed to return the CRJ to replace the Saturday night mainline service that had been removed, should be strong utilization for that aircraft. Phoenix/Mesa air service attraction – hope to hear who has been awarded the grant by early June.

- Airfield operations and development:
 - * Airside: Mr. Blaine Peterson, Director of Operations, invited Mr. Chuck Bergquist, Duluth Airshow Security Director, to update on the upcoming July 7th and 8th air show -- Mr. Bergquist overviewed on preparations happening, hoping the Thunderbirds will be flying at that time and listed other performers. Spoke on the improvement to the traffic flow and plan. Can get all the air show information on www.duluthairshow.com. The Board members thanked Mr. Bergquist for his update. Mr. Peterson spoke on the emergency table top exercise scheduled for May 22nd, explained this will be a functional tabletop and detailed on the planned exercise. He updated on the Runway 9/27 reconstruction project – spoke on the planned construction process and timeline for Phase 1 and 2, the runway was closed Monday, May 14th. Questions and discussion followed. Mr. Peterson moved to Phase 3 – finalizing plans, reviewed the timelines for bids with construction planned for 2019. Mr. Werner reported on the meeting with PCI resulting in a tentative agreement settling close outs for Phase 1 and 2 grants, will meet with FAA for their concurrence.
 - * Business Development: Updated on the signatory airline agreements negotiations – process moving along, hope to have agreements before the Board by July. Rental Car agreement amendments – draft amendments will be presented in the next month or two, meeting with several rental car agencies next week to make sure fee structure is fair to all; Off airport rental car regulations – need to update commercial vehicle policy language; WLSSD land lease renewal request – will be entering into negotiations and discussion on the concession fee agreement.
 - * Sky Harbor: Hangar Lot 8 – No RFP responses, evaluation team will meet to look over RFP before moving forward. Mr. Peterson updated on the Phase 2 runway construction, timeline, process, tenant updates and community awareness outreach – questions and comments followed.
- Financial Update: Ms. Joelle Bodin, Director of Finance & Administration, received published audit -- it is a clean audit and complete; Auditor RFP update – formal request letter was sent to the City Auditors, no response back at this time. Ms. Bodin summarized on the first quarter financial review for Duluth International and Sky Harbor Airport. Questions and discussion followed, Mr. Werner detailed further. Pres. Butler and the Board thanked the financial team for a job well down on the clean audit report.
- Legislative update: Mr. Werner updated on the Statewide Airport Zoning Reform bill, has been included with the Omnibus bill.
- Presentations: Presented to the Superior Chamber Board, great airport discussion; Overviewed on the State Aviation System update.
- Other: Business Service Center (BSC) submitted a request letter to Monaco Air Foundation,

the request has been approved with the amount adjusted; Mr. Werner thanked the Foundation Board members for benefiting the BSC. The June Board meeting will be held at the Sky Harbor Airport.

Questions and discussion followed on several of the Executive Director's review items. Dir. Stewart moved to approve the April 12, 2018 Marketing Subcommittee minutes and April 17, 2018 minutes and other consent items. Dir. Apter seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #8 and #9, 2018. Construction fund sheet #6, 2018.

Letter from Duluth Economic Development Authority to DAA regarding the August 12, 1993 airport ground lease agreement.

Information request letter from Citizens Committee for Environmental Concerns (CCEC) regarding FAA Noise Study and response letter attaching May 15, 2017 response letter.

Letter from DAA to Duluth Chief Financial Officer requesting the ability to bid out the Authority's annual accounting audit.

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

Letter from DAA to Monaco Air Foundation requesting funds to be used for a new business service center.

Monthly construction project progress report for Runway 9/27 Obstruction Removal Report #4.

Runway 9/27 Reconstruction Duluth International Airport (DLH) – Project Update No. 16.

Neighborhood notice Duluth International Airport -- Runway 9/27 Reconstruction Project.

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 spoke on the courtesy car availability at Sky Harbor Airport, questions followed. Dir. Fedora moved to approve the resolution accepting the gift of a Dodge Caravan from Miner's Inc, authorizing the Bill of Conveyance and expressing thanks. Dir. Apter seconded. Motion carried.

Mr. Werner reviewed the courtesy car release form. Discussion followed on modified language, Item 2, adding State of Wisconsin. Dir. Tanski moved to approve the Sky Harbor Airport and seaplane base courtesy car release form with language modification. Dir. Stewart seconded. Motion carried.

Mr. Peterson overviewed on background information for approval of Capital Improvement Projects (CIP), he and summarized on the 2018 CIP for DLH and DYT, explained adjustments and recommended approval. Dir. Fellman moved to approve the resolution for the 2018 CIP for the Duluth International Airport (DLH) and Sky Harbor Airport (DYT). Dir. Stewart seconded. Motion carried.

Mr. Peterson reviewed the Phase 2 project for realignment of the runway at Sky Harbor Airport. Dir. Tanski moved to approve the resolution to award the contract to Northland Constructors of Duluth, Inc. in the amount of \$2,127,101 for the Duluth Sky Harbor Airport, Runway Realignment, Phase 2. Dir. Stewart seconded. Motion carried.

Dir. Fedora briefed on the Financial Subcommittee meeting, recommending a five-year look forward topic discussion on the CIP.

Dir. Stewart moved to adjourn the meeting. Dir. Apter seconded. Motion carried. Pres. Butler adjourned the May 15th DAA Board meeting at 8:57 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth A. Butler DATE: 6/19/18