



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: January 16, 2018

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Pat Mullen
Todd Fedora
Pascha Apter

DIRECTORS ABSENT: Richard Stewart

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Joan Christensen, Assistant City Attorney
Steve Hanke, Assistant City Attorney
Blaine Peterson, Director of Operations
Natalie Peterson,
Communications
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Andrew Samberg, RS&H

President Butler welcomed everyone and called the meeting to order at 8:00 a.m. He mentioned a portion of the meeting would be closed to the public to discuss litigation strategy with legal counsel and for an employee performance evaluation. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – remains level at 2.8%, Delta YTD 5.2% decrease, United YTD overall had a good year with 1.8%, reminded everyone that United had a flight schedule change in December -- down to two flights. Phoenix/Mesa air service attraction update – no updates since submittal of grant application, most likely to be thirty to sixty days before resolution. Nashville charter update – moving along for third quarter start for Sun Country Nashville service.

Dir. Apter arrived at 8:03 a.m.

- Airfield operations and development:
 - * Airside: Mr. Blaine Peterson, Director of Operations, summarized on the final Phase 3 of Runway 9/27 construction project -- reviewed on preliminary meetings with FAA, positive conversations, background on taxiway widths and hot spots. Questions and discussion followed on impacts to tenants regarding the width of the taxiways. Mr. Werner detailed further on showing justification to FAA for their standards. Mr. Peterson updated on the obstruction removal project -- began last Thursday. Dir. Fellman questioned if there were any maintenance issues due to the ungrooved portion of the runway -- there have not been issues during weather events, the experienced airfield maintenance crew have been able to keep ahead of the events.
 - * Business Development: Mr. Werner updated on the three signatory airline agreements, Delta, SkyWest and United mainline -- should be out this week with negotiations to follow. Hangar 2 update -- there has been renewed interest by a potential prospect, have refreshed proposal and waiting for response. Mr. Werner spoke on the timeline for the DLH and Sky Harbor vending RFP, announcement should be February 20th.
 - * Sky Harbor: Mr. Peterson reviewed on the Runway 14/32 relocation project, runway piece is complete, work still needed on the seawall -- this project on hold during cold weather. Mr. Werner updated on Lot 8 for hangar development -- the request for proposal is in the final review and moving along.
- Legislative update: Statewide Airport Zoning Reform -- no other news at this time, questions followed.
- Other: Mr. Werner reminded the Board that February's board meeting would be held at LSC Center for Advanced Aviation, Hangar 103, with a tour to follow. In addition, spoke on the interest regarding the discussions for past President's role -- to move forward will provide By-Law language changes for consideration next month.

Questions and discussion followed on several of the Executive Director's review items. Dir. Tanski moved to approve the December 16th meeting minutes and other consent items. Dir. Apter seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #25 and #26, 2017. Construction fund sheets #13, 2017 and #1, 2018.
DNT news release "Regional Airports Prep for Super Bowl Landings".
Sky Harbor runway relocation newsletter volume #5.
E-Mail from Monaco Air Foundation with summary of December 2017 activities.
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

Mr. Werner explained the presentation on the Terminal Business Service Center would refresh the Board on this concept to benefit business travelers. Ms. Natalie Peterson, Director of Marketing and Communications, was invited to present on the business center. She presented handouts and several visual designs on the center. She provided background information and detailed on the space, projected costs, and revenue opportunity. Would like to develop a plan and move forward on a potential partnership with Monaco Foundation. She invited board members who may be interested to tour and view the area. Questions and comments followed on design and other alternatives. Dir. Mullen moved to proceed with a cost analysis for feasibility to move forward with the business center process. Dir. Tanski seconded. Motion carried. Ms. Peterson explained next step would be to have a conversation with the Monaco Foundation.

Mr. Werner gave a quick synopsis on Dir. Stewart's proposal for a UWS historical study of the airport to present a digital display for passengers. As Dir. Stewart was not in attendance, discussion followed on tabling this item. Dir. Tanski moved to table the discussion on Monaco Air Foundation support projects. Dir. Fedora seconded. Motion carried.

NEW BUSINESS

Mr. Peterson presented background information and reviewed the proposed security consultant agreement. He recommended approval. Questions followed. Dir. Fedora moved to approve the Safety/Consultant agreement between the Duluth Airport Authority and Mr. Richard Swanson. Dir. Tanski seconded. Motion carried.

Mr. Peterson summarized on the parking support agreement. Questions followed. Dir. Mullen moved to approve the resolution for the NowCare Plus support agreement between the Duluth Airport Authority and Amano McGann, Inc. Dir. Apter seconded. Motion carried.

Mr. Werner explained and outlined the renewal for the insurance policy and recommended approval. Questions followed. Dir. Mullen moved to approve the resolution authorizing an agreement to insure certain Duluth Airport Authority property and equipment under the City of Duluth's property insurance policy. Dir. Tanski seconded. Motion carried.

Pres. Butler stated this portion of the meeting would be closed to the public for two purposes – first pursuant to Minn. Stat. 13D.05, subd.3 (b) for litigation strategy discussion with legal counsel and second pursuant to Minn. Stat. 13D.05 sub. 3(a) to evaluate the performance of Executive Director. Dir. Tanski moved to close the meeting for litigation strategy discussion

with legal counsel in regards to litigation commenced by PCiRoads, Inc. against DAA regarding Runway 9/27 reconstruction Phase 1 and Phase 2 construction contracts and for a performance evaluation for the Executive Director, Mr. Tom Werner. Dir. Fellman seconded. Motion carried. Pres. Butler closed the meeting at 8:56 a.m.

Dir. Fedora moved to reconvene the January 16th meeting. Dir. Apter seconded. Motion carried. Pres. Butler reconvened the meeting at 10:38 a.m. and summarized on Mr. Werner's annual performance evaluation. The Board had discussed his strengths and qualities demonstrated and identified areas to be helpful for his leadership growth and development. The consensus of the board is Mr. Werner has done an excellent job, based on that discussion the Board approved a three percent base salary increase effective January 1, 2018 and a one-time incentive payment of \$4,400 for his accomplishments in the 2017 work performance .

Dir. Tanski moved to adjourn the meeting. Dir. Apter seconded. Motion carried. Pres. Butler adjourned the January 16th DAA Board meeting at 10:42 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Buot DATE: 2-20-18