



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: November 20, 2018

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
Brian Madsen, Sky Harbor Manager
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Ryan Jones, KLJ
Don Monaco, Monaco Air Duluth
Mike Magni, Monaco Air Duluth
Bill King, Cirrus
Peter DeSutter, AAR
Eric Monson, Lake Superior Helicopters

President Butler called the meeting to order at 8:00 a.m. He reminded the public to sign in for the Opportunity to be Heard section and 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 year so far with an increase of 9.6% on the year to date (YTD) passenger numbers and an increase of 17.3% from October 2017 to 2018. Delta has a slight increase with an YTD increase of 1.7%. United mainline and pro-rate doing very well with a 22% increase and a very strong October 2017 to 2018 increase of 43.8%. Nashville Charter update – recent media coverage not so accurate, trying to correct records, more with the Marketing update. Presented on a very strong second quarter air service summary,

highlighted top originating destination markets, passenger market share, future flight frequencies, load factor trends, and average fare comparison, compared to 2017 fares are down. Met with United, very good meeting. Have been approached by a ground transportation business to present at the December meeting.

- Airfield operations and development:
 - * Airside: Mr. Blaine Peterson, Director of Operations, presented and described the purpose of the Weather Ready Nation Ambassador award, great weather forecasting tools available. Runway 9/27 reconstruction update – held first work group meeting, very well attended and good discussion. Questions followed. Sky Harbor Runway realignment project pretty much done; crib work on hold until spring – presented video on the crib building process and spoke on timeline.
 - * Business/Property Development: Ms. Jana Kayser, Part Time Bookkeeper, updated on the airline agreements; hope to have completed agreements at December's meeting. Cirrus Hangar 104 lease – no movement on it at this time. ANG lease supplemental Agreement No. 18 -- explained background information and overviewed the agreement. Sky Harbor Lot 8 RFP update– spoke on timeline and inquiries.
- Finance: Ms. Joelle Bodin, Finance and Administration Director, presented the third quarter financial review – highlighted budget versus actual, revenues, operating expenditures and spoke on Sky Harbor's financials. Questions followed, Mr. Werner detailed further. Ms. Bodin spoke on the City Council budget presentation, went well; the budget was approved at yesterday's session.
- Marketing: Ms. Natalie Peterson, Director of Communications and Marketing – reminded the Board that the DAA volunteer night at Bentleyville will be December 16th. Business Service Center (BSC) – ahead of schedule on the build out, good position to launch the first of the year; spoke on timeline and marketing; the sponsor has been identified, hope to have the sponsor agreement at the December meeting; she invited any interested Board members for a tour after this meeting. Fly Local campaign – also ready to launch at the first of the year, this campaign will be part of Duluth Days. Nashville Charter update – will have media launch tomorrow morning and spoke on B105 event. UMD promo is going exceptionally well. DAA will be providing holiday cookies for travelers today and tomorrow, reminder that the holiday party is December 13th and have started meetings with Swim Creative for the marketing strategy, more to come.
- Legislative: Mr. Werner explained the post-election leadership changes; reviewed the two major Legislative initiatives and shared that MCOA will attempt to set up a meeting with Governor Elect Waltz's staff regarding the initiatives, airports and aviation.
- Presentations/Tours/Travel Recap: Mr. Werner attended an AAAE law conference last month, a very good conference. The Business Development Manager's position has been posted internally.

Questions and discussion followed on several of the Executive Director's review items. Dir. Tanski moved to approve the October Marketing Subcommittee minutes, the October 16, 2018 meeting minutes, and other consent items. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #21 and #22, 2018. Construction Fund Sheet #13, 2018.

Letter from the Local Airline Service Action Committee (LASAC) to Explore Minnesota Tourism encouraging them to promote use of every commercial service airport when marketing around the State.

Weekly Duluth International Airport tenant operations meeting minutes October 16, 2018 through November 16, 2018.

Invitation to DLH Airport Stakeholders to participate on the airport construction and planning work group.

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

Sky Harbor Runway Relocation newsletter – Volume 9.

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

Ms. Bodin reviewed the background information for the amendment to the Commercial Vehicle Policy and recommended approval. Dir. McIsaac moved to approve the resolution for the amendment to the Duluth Airport Authority Commercial Vehicle Policy. Dir. Tanski seconded. Motion carried.

NEW BUSINESS

Ms. Kayser summarized and overviewed on the facility lease. Dir. Fedora moved to approve the operator agreement and space lease between the Duluth Airport Authority and Lake Superior Helicopters, LLC. Dir. Fellman seconded. Motion carried.

Ms. Kayser briefed on the amendment to the facility lease agreement. Dir. McIsaac abstained from the discussion and vote. Dir. Tanski moved to approve the resolution for the facility lease agreement amendment for Building 311 between the Duluth Airport Authority and Cirrus Aircraft, Inc. Dir. Stewart seconded. Motion carried.

Mr. Werner summarized on the selection process and detailed on the Master Plan project. Questions and discussion followed. Dir. Stewart moved to approve the resolution for the

professional services agreement between the Duluth Airport Authority and SEH for the Duluth International Airport Master Plan project. Dir. Fellman seconded. Motion carried.

Mr. Peterson overviewed the 148th utility project and recommended approval. Dir. McIsaac moved to approve the resolution for the Professional Services Agreement Work Order 2018-01 between the Duluth Airport Authority and RS&H for the 148th Fighter Wing of the Minnesota Air National Guard MSA Utility System Repair. Dir. Stewart seconded. Motion carried.

There was a question on an emergency reported last week, Mr. Peterson briefed on the circumstances.

Dir. Stewart moved to adjourn the meeting. Dir. Tanski seconded. Motion carried. Pres. Butler adjourned the November 20th DAA Board meeting at 9:08 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Anna Janse DATE: 12-18-18