



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: June 19, 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
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Director of Finance & Administration
Brian Madsen, Sky Harbor Manager
Jana Kayser, Part Time Bookkeeper
Sam Rekuski, DAA Intern
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Darren Christopher, RS&H
Steve Hanke, Assistant City Attorney
Alec Wikas, City Attorney's Office Intern
Mark Marino, Hangar 10 Aero
Sandra Ettestad, Duluth Aviation Institute
Nicole Wilde, Love Creamery

President Butler welcomed everyone and called the meeting to order at 8:02 a.m. He invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner recognized Dir. Apter, as she will be moving on to other opportunities out of state -- her contributions and leadership will be missed, he presented her with an appreciation plaque. The Board thanked Dir. Apter. Mr. Werner expressed his appreciation to the Sky Harbor Airport for hosting this meeting. He introduced Ms. Nicole Wilde, Love Creamery, who will be providing several refreshments; Ms. Wilde spoke on her service. DAA has a new aviation intern, Sam Rekuski, who is not present at this time; she will be introduced at the next meeting.

Mr. Werner updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: A positive month, 6% increase on the year to date (YTD) passenger numbers, with an 11% increase May 2017 to 2018; Delta level with YTD .6% increase, United passenger growth 15.4% and the fourth daily flight has returned for the summer. Met with United during the JumpStart conference and had a great discussion, also had a very good meeting with American Airlines. Phoenix/Mesa air service attraction – still waiting for announcement for awarding this grant; Working on a final contract for Nashville Charter, will bring more information in the near future.
- Airfield operations and development: Mr. Werner briefed on the 2019 Master Plan updates, more to come on this.

Dir. Fellman arrived at 8:13 a.m.

- * Airside: Mr. Werner spoke on a west airfield parcel, working with St. Louis County on ownership and records; the emergency tabletop exercise was a success with a number of area agencies participating, next year the live exercise will be scheduled; updated on the runway 9/27 reconstruction project Phase 1, 2 and 3.
- * Business/Property Development: Updated on the signatory airline agreements negotiations process; off airport rental car regulations – working on revising the commercial vehicle policy, should have draft to present in the next few months; WLSSD land lease renewal – discussions continue, progressing nicely. Invited anyone interested and attending the Saturday Air Show to stop by the DAA SRE for a barbeque and potluck lunch.
- Financial Update: Ms. Joelle Bodin, Director of Finance & Administration, reviewed the 2019 budget preparation; spoke on process and timeline.
- Marketing Update: Ms. Natalie Peterson, Director of Marketing & Communications, Updated on the Business Service Center -- thanked Monaco Air Foundation for their funds, working on timeline and marketing strategy – more to come; questions and conversation followed regarding marketing planned for the Nashville charter service.
- Legislative update: Mr. Werner briefed on the Statewide Airport Zoning Reform bill – continue to press, should be able to move forward for process again.
- Presentations: Participated on a Leadership Duluth panel on infrastructure with the Port Authority and MnDOT, very good dialogue; also participated in a security transportation panel with Congressman Michael McCaul regarding security issues and needs, great discussion on security and funding.

Questions and discussion followed on several of the Executive Director's review items. Dir. Stewart moved to approve the May 14, 2018 Finance Subcommittee minutes and May 15, 2018 minutes and other consent items. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #10 and #11, 2018. Construction fund sheets #7 and #8, 2018.

Thank you letter from Wounded Warriors in Action Foundation to DAA for continued support in making our hero's feel welcome.

Letter from DAA to Duluth airport tenants and businesses notifying that Stebner Road will have restricted access on both Saturday and Sunday, July 7th and 8th due to the Air Show security.

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

DAA JumpStart 2018 presentations to American Airlines and United Airlines.

DAA airport news: DAA news release "Chicago Fourth Flight Returns to Duluth International Airport" and June/July 2018 Midwest Flyer Magazine article "Minnesota Council of Airports & MnDOT Honor State's Finest".

Runway 9/27 Reconstruction Duluth International Airport (DLH) – Project Update No. 17, Project Update No. 18, Project Update No. 19 and Project Update No. 20.

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

Ms. Sandra Ettestad, Duluth Aviation Institute, was invited to present to the Board. She overviewed on the Duluth aviation background and history. She explained that the Institute's start was to preserve these local aviation stories, for outreach, education and inspiration to area students and the public providing knowledge of aviation and aerospace. She thanked all the Institute's trustees and requested the DAA Board's help by supporting their vision. Ms. Ettestad was thanked for her presentation.

NEW BUSINESS

Ms. Peterson reviewed the advertising agreement and recommended approval. Dir. Fedora moved to approve the resolution to approve the display of advertising agreement between the Duluth Airport Authority and UMD Athletics. Dir. Stewart seconded. Motion carried.

Ms. Peterson explained the State marketing grant and reviewed the timeline from last year's delay. She recommended approval. Dir. Tanski move to approve the resolution to accept and approve the 2019 MnDOT Air Service Marketing Grant and to authorize the Authority's

President and Secretary to execute the grant. Dir. Stewart seconded. Motion carried.

Mr. Werner summarized and spoke on the air service incentive policy. He recommended approval. Questions and discussion followed. Dir. Stewart moved to approve the resolution to adopt the Community Air Service Development Incentive Policy at the Duluth International Airport. Dir. Fellman seconded. Motion carried.

Mr. Werner detailed on the sublease agreement. Dir. Tanski moved to approve the resolution authorizing Lake Superior College to sublease its City owned hangar property at Duluth International Airport to Kernz & Kompany, Inc. for use at year 2018 Duluth Airshow. Dir. Apter seconded. Motion carried.

Mr. Werner introduced Ms. Jana Kayser, Part Time Bookkeeper, who is helping with the Business Development items. Ms. Kayser explained the operating agreement and recommended approval. Dir. Fedora moved to approve the resolution to approve the operating agreement between the Duluth Airport Authority and the Duluth Flying Club, LLC (FlyDuluth). Dir. Stewart seconded. Motion carried.

Pres. Butler recommended combining Item's F and G as one motion. Ms. Kayser reviewed the hangar space agreements. Questions followed. Mr. Werner detailed further. Dir. Stewart moved to approve the resolution to approve the Sky Harbor hangar space lease agreement between the Duluth Airport Authority and Collin Hillman and John Justad (Beaver Air Tours). Dir. Apter seconded. Motion carried.

Dir. Tanski moved to approve the resolution for the Sky Harbor float storage land lease agreement between the Duluth Airport Authority and Jonathan Aero. Dir. Stewart seconded. Motion carried.

Pres. Butler recommended combining the next four Items I through L as one motion. Ms. Kayser gave background information and overviewed on the rental car agencies amendments. Dir. Stewart moved to combine Items I through L and approve the resolution to the second amendment for the vehicle rental lease and concession agreement between the Duluth Airport Authority and Enterprise Leasing Company of Minnesota, LLC (Enterprise Rent-A-Car, National Car Rental and Alamo Rent A Car), Overland West Inc. (Hertz), Krenzen Corporation (Budget Rent-A-Car) and Sonju Enterprises Inc. (Avis Rent-A-Car). Dir. Fedora seconded. Motion carried.

Mr. Werner summarized on the SEH work plan. Dir. Tanski moved to approve the resolution for

SEH Work Order No. 2018-2 for construction administration, observation and closeout, including public outreach, 2018 Runway Realignment, Phase 2 at Sky Harbor Airport (DYT) with supporting independent fee estimate. Dir. Stewart seconded. Motion carried.

Pres. Butler spoke on the Executive Committees recommendation to keep the slate of officers the same. Dir. Apter moved to approve extending the term for the slate of officers – President, Dir. Butler; Vice President, Dir. Tanski and Secretary Dir. Fellman. Dir. Stewart seconded. Motion carried.

Pres. Butler closed the June 19th DAA Board meeting at 8:58 a.m. for a litigation strategy discussion with legal counsel in regards to litigation commenced by Curtis R. Fisher regarding 1990 Development and Lease Agreement and the 2017 Environmental Indemnification Agreement. This portion of the meeting must be closed to the public pursuant to Minn. Stat. 13D.05, subd. 3 (b).

Mr. Werner invited everyone to a five minute sample ice cream break compliments from Love Creamery.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Bull DATE: 7-17-18