



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: July 17, 2018

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Richard Stewart
Todd Fedora
Kim Maki

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
Brian Madsen, Sky Harbor Manager
Kathy Carver, Confidential Bookkeeper
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
Mike Magni, Monaco Air Duluth
Darren Christopher, RS&H
John Hippchen, RS&H
Mark Ketterer, AAR
Rob Cotter, Allete

President Butler called the meeting to order at 8:00 a.m. He welcomed the newest member, Kim Maki, St. Louis County Assistant Attorney; she will be a great benefit to this Board. He invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

Mr. Werner introduced the new DAA aviation intern, Sam Rekuski; she has been helping the management team and learning all the ins and outs at the airport. He mentioned he had a presentation that had not made the strategic planning session during the air service discussion –

he commented and presented on the opportunities and challenges on the state of the aviation industry.

- Air Service: A good month, 6% increase on the year to date (YTD) passenger numbers, with a 6.3% increase June 2017 to 2018; Delta level with .3% YTD increase, United passenger growth 15.7%. Will be meeting with SkyWest at the end of the month. Phoenix/Mesa air service – Duluth was not awarded the community air service grant, will be meeting with Allegiant in a few weeks. Pleased to announce the Nashville Charter service is close, hope to have a kick off announcement in a few weeks; thanked Mr. Don Monaco, Monaco Air for his help with this service.
- Airfield operations and development: Mr. Werner overviewed on the scope for the 2019 Master Plan updates; spoke on consultant selection, highlighted several initiatives and timeline.
 - * Airside: Mr. Blaine Peterson, Director of Operations, spoke on last week's weather situation at MSP and the large amount of diversions that landed at DLH, he recognized and thanked several outstanding employees from DAA along with the terminal tenants, Monaco Air and the Tower – great testament to partnership. He summarized and detailed on the five year Capital Improvement Program (CIP) for DLH and DYT; Mr. Werner provided additional information, questions followed. Mr. Peterson updated on the west airfield parcel, this land is being forfeited and released to DAA; he thanked Ms. Joan Christensen, Assistant City Attorney, for her work with St. Louis County. Mr. Peterson reviewed the runway 9/27 reconstruction project Phase 1 and 2, questions followed; detailed on Phase 3 reconstruction and grant application update. Updated on the Air Show – lighter crowd, but kudos to Mr. Ryan Kern and the Air Show staff, very smooth operation and clean up.
 - * Business/Property Development: Mr. Werner explained the airline agreements are close to be completed; Lake Superior Helicopter's operating agreement is expiring, in active talks and working through the process for renewal and office space requirements; WLSSD land lease is also close to be complete and have had discussions with several interested parties regarding development at the airport.
 - * Sky Harbor: Spoke on a pilot lounge between Hangar #6 and #7, more information on this under New Business.
- Financial Update: Ms. Joelle Bodin, Director of Finance & Administration, briefed on the timeline for the 2019 budget preparation.
- Marketing Update: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on the Business Service Center -- thanked Monaco Air Foundation for their funds, reviewed process and timeline.
- Presentations: Presented a state of aviation update to the Northeast Minnesota Transportation Partnership and DAA hosted the July Metropolitan Interstate Commission -- good opportunity to talk about aviation and the airport.

Questions and discussion followed on several of the Executive Director's review items. Dir.

Stewart moved to approve the June 19, 2018 meeting minutes and June 28, 2018 strategic planning session minutes and other consent items. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #12 and #13, 2018. Construction fund sheet #9, 2018.

Letter from the Monaco Air Foundation to DAA regarding the New Business Service Center (BSC).

Letter from DAA to Blethen Gage & Krause regarding the DAA and Curt R. Fisher August 23, 1990 Development and Lease agreement.

Letter from DAA to Monaco Air Foundation regarding sublease of the old maintenance garage warehouse 2.

Letter from the Duluth Economic Development Authority (DEDA) regarding the 1993 Airport Ground Lease and agreement between the DAA and the DEDA related to the Cirrus Incubator Project.

Letter from DAA to St. Louis County requesting application for a conditional use deed for Parcel ID: 395-0010-00465.

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

Letter via e-mail from Miner's Outdoor Adventures to DAA regarding Sky Harbor hangar sites #6 and #7 and reply letter via e-mail from DAA to Miner's Outdoor Adventure.

Airport news: Aviation Daily article "Chao: 'Side Effect' of 1,500-hr. Rule is Reduced Pilot Supply" and The Motley Fool article "United Continental's Small-City Strategy is Showing Cracks".

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

Mr. Mark Ketterer was invited to speak to the Board. Mr. Ketterer explained he was here to speak to the Board as a concerned citizen regarding Phase 3 of the Runway 9/27 reconstruction project. He expressed dissatisfaction with Phase 1 and 2 construction process and his concerns with the upcoming Phase 3 construction, questioned impacts on tenant's business and if there was a solid timeline. Mr. Ketterer requested a project flow analysis and to take time for this project to proceed and be successful. Detailed questions and discussion followed regarding Mr. Ketterer concerns, FAA grant and process; consensus was to address the timelines, input from the contractor will be needed. Dir. Fellman recommended a quick timeframe -- document the tenant's standpoints and questions and address the concerns to move forward and proceed with this process. Further discussion and comments followed.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Peterson overviewed the work order and independent fee estimate for Phase 3. Discussion and comments followed regarding concerns; a SEH representative will be present during the weekly tenant meeting. Dir. Fedora moved to approve the resolution to approve the SEH Work Order No. 2018-3 for construction administration, observation and closeout, including public outreach for Runway 9/27 reconstruction, Phase 3 at Duluth International Airport (DLH) with supporting independent fee estimate. Dir. Maki seconded. Motion carried.

Mr. Peterson explained the bid process and timeline for the project. Questions and discussion followed. Dir. Tanski move to approve the resolution to award a contract to Shafer Contracting Co., Inc. in the amount of \$10,858,552.93 for Runway 9/27 Reconstruction, Phase 3. Dir. Fellman seconded. Motion carried.

Pres. Butler recommended combining Item's C and D as one motion. Ms. Jana Kayser, Part Time Bookkeeper, reviewed the hangar space agreements and proposed pilot lounge. Questions followed. Dir. Stewart moved to combine Items C and D, and approve the resolutions for the Sky Harbor Hangar # 6 and #7 land lease agreement between the Duluth Airport Authority and Miner's Outdoor Adventures, LLC. Dir. Fellman seconded. Motion carried.

Dir Stewart expressed his appreciation to the DAA and all tenants who supported the high school girls aeronautical aviation camp held June 25th and 26th.

Dir. Tanski moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Pres. Butler adjourned the July 17th DAA Board meeting at 9:24 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 8/21/18