



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: February 19, 2019

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Todd Fedora
Kim Maki
Don McIsaac

DIRECTORS ABSENT: Richard Stewart

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
Jana Kayser, Business Development Manager
Brian Madsen, Sky Harbor Manager
Benita Crow, SEH
Kaci Nowicki, SEH
Rob Missinne, Monaco Air Duluth
Bill King, Cirrus
Ryan Jones, KLJ
Ben Munson, Landline Company
Nicholas March, UW-Superior
Harrison Leet, UW-Superior

President Butler welcomed everyone and 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 mentioned a portion of the meeting would be closed to the public for an employee performance evaluation. He invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

Air Service: The momentum continues with an almost 10% increase year to date (YTD) passenger from January 2018 to 2019. Delta 9.3% YTD increase and United with a 9.7% increase, very strong start; he reminded the Board that United had pulled one frequency, but still had more seats. Nashville Charter updates – have struggled with advanced booking and have

extended the deadline -- if advanced booking fall short will end up cancelling the charter. Questions and discussion followed on air service.

- Airfield operations and development:
 - * Airside: Mr. Werner invited Ms. Kaci Nowicki, SEH, to update on the Master Plan. Ms. Nowicki overviewed on the Master Plan scope, focus on the building area development and redevelopment along with the public involvement. Finalizing on draft scope and timeline on the process; anticipate bringing to the Board in April. Mr. Blaine Peterson, Director of Operations, updated on the Runway 9/27 reconstruction Phase 3 -- the kick off preconstruction meeting with contractors was very positive, reviewed timeline, roles and responsibilities; next meeting scheduled for mid-March or April timeframe. Update on the winter operations -- frigid cold caused problems throughout the upper Midwest; summarized on the delays, cancellations, explanations and guidelines due to extreme weather. Terminal maintenance crew also provided customer service, constant stream of jumpstarting vehicles. Questions followed.
- Business/Property Development: Ms. Jana Kayser, DAA Business Development Manager, updated on the Cirrus leases, continue discussions to develop long-term leases on Building 311 and Hangar 104. American Airlines (AA) update – going very well, have had two visits to view facilities and prepare, RFP is out for ground handlers and plan to build out in mid-April for the opening on May 23rd; reviewing contract, hope to present to Board next month. Ms. Kayser attended the APEX Talent Forecast Solution Study, good mix of organizations and people; will attend the action plan meeting in April.
- Marketing: Ms. Natalie Peterson, Director of Communications and Marketing – Club DLH is doing well, good feedback and continue to monitor. Fly Local campaign will be launched at Duluth Days this week and briefed on planned community meetings. Presented handouts for Fly Local, pledge forms and Denver SCASD materials that will also be presented at the Duluth Days booth.
- Legislative: Mr. Werner updated on the Airport Zoning Legislation – moving along, meeting with the House and Senate Transportation Committee chairs tomorrow. Passenger Facility Charge (PFC) increase – pointed out correspondence addressing this issue; will be attending meetings in Washington the first week in March.

Questions and discussion followed on several of the Executive Director's review items. Dir. Maki moved to approve the January 15, 2019 meeting minutes and other consent items. Dir. Tanski seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #1, #2 and #3, 2019. Construction Fund Sheets #1 and #2, 2019.
Letter from DAA to individual regarding violation of hangar lease agreement.
Letter from City of Duluth to DAA regarding energy conservation grant.
Duluth International Airport news: Duluth Airport Media Advisory "Ribbon Cutting and Social

to Celebrate the New Club DLH – Business Suite”; news releases “Announcing American Airlines Service Direct from Duluth to Chicago’s O’Hare International” and “Year-End Passenger Numbers Prove 2018 was a Fantastic Year to Fly DLH”.

Airport news: Pioneer Press “MSP Airport Security Wait Times Worst in Nation”; Bloomberg.com “United Makes Hubs the New Battleground in Fight for Supremacy”; Aviation Week “United’s Premium Push Includes Revamped 50-Seat CRJ700s” and American Association of Airport Executives (AAAE) “DeFazio Reiterates Support for PFCs in Speech to Aero Club of Washington”.

E-Mail from Monaco Air Foundation with summary of January 2019 activities.

Letter from DAA to House Transportation & Infrastructure committee members Congressman Stauber and Congressman Craig requesting support for increase in Passenger Facility Charges in the Infrastructure Bill.

Letter from Minnesota Local Airline Service Action Committee (LASAC) to Congressman Stauber and Congressman Craig urging Congress to update Federal Policy for funding airport infrastructure projects.

Letter from City Auditor to DAA requesting the annual audit for the year ending December 31, 2018.

Monthly Duluth International Airport tenant operations meeting minutes.

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

Ms. Joelle Bodin, Finance and Administration Director, summarized on the shared insurance agreement with the City of Duluth. Questions followed. Dir. McIsaac 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.

Ms. Kayser spoke on a new ground transportation company hoping to capture the leisure traveler leakage to MSP. She detailed on the concept, goals, process and planned lease areas in the Terminal. Mr. Ben Munson, President of Landline Company, expressed their excitement to be

part of the community. Questions and discussion followed. Dir. Tanski moved to approve the operating and space lease agreement between the Duluth Airport Authority and Landline Company. Dir. McIsaac seconded. Motion carried.

Pres. Butler stated this portion of the meeting would be closed to the public pursuant to Minn. Stat. 13D.05 sub. 3(a) to evaluate the performance of the Executive Director. Dir. Tanski moved to close the meeting for a performance evaluation for Executive Director Mr. Tom Werner. Dir. Maki seconded. Motion carried. Pres. Butler closed the meeting at 8:41 a.m.

Pres. Butler reconvened the meeting at 9:17 a.m. and summarized on Mr. Werner's annual performance evaluation. The Board reviewed the airport's positive growth for 2019; Mr. Werner has done an excellent job and has been instrumental in moving the airport forward. The Board agrees a very important part for the work plan will be the public communication and implementation of the Master Plan. They also expressed their appreciation to the DAA senior staff for their dedication and hard work. Based on the evaluation for Mr. Werner's accomplishments, the Board has recommended a three percent base salary increase retroactive to January 1, 2019 and a one-time incentive payment of \$7,500.

Dir. Fedora moved to approve the resolution for the DAA Executive Director's 2019 work plan. Dir. McIsaac seconded. Motion carried.

Dir. McIsaac moved to approve a resolution for a one-time incentive payment for the DAA Executive Director of \$7,500. Dir. Tanski seconded. Motion carried.

Dir. Maki moved to approve the resolution for a three percent base salary increase retroactive to January 1, 2019 for the DAA Executive Director. Dir. Fedora seconded. Motion carried.

Dir. Tanski moved to adjourn the meeting. Dir. McIsaac seconded. Motion carried. President Butler adjourned the February 19th DAA Board meeting at 9:24 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 3/19/19