



**DULUTH INTERNATIONAL AIRPORT**

**Travel Globally. Fly Locally.**

**MINUTES OF THE MEETING**

DATE: April 16, 2019

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

DIRECTORS PRESENT: Ken Butler  
Craig Fellman  
Richard Stewart  
Todd Fedora  
Kim Maki  
Don McIsaac

DIRECTORS ABSENT: Anna Tanski

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 Communications & Marketing  
Joelle Bodin, Director of Finance & Administration  
Brian Madsen, Sky Harbor Manager  
Benita Crow, SEH  
Kaci Nowicki, SEH  
Shawn McMahon, SEH  
Don Monaco, Monaco Air Duluth  
Bill King, Cirrus Design  
Peter DeSutter, AAR  
Ryan Jones, KLJ  
Eric Monson, LSH

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. 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: Holding strong with a 5.5% increase year to date (YTD) passenger from March 2018 to 2019. Delta has a slight decrease with 2.1% YTD and United had another strong performance with a 16.8% increase – first overlap with the Airbus service and have a 14.6% increase, very happy with passenger demand; reminded the Board that United switched from prorate to CPA on March 31st. Nashville Charter – will not be happening due to advanced bookings falling short.

- Airfield operations and development:
  - \* Airside: Mr. Werner presented an update on DLH Air Service – highlighted 2018 air service top domestic originating, destination, growth markets and the capacity outlook moving forward in 2019, United is showing confidence in the market; he touched on market share leakage, questions and discussion followed. Mr. Werner explained they are refining the proposal on the FAR Part 150 noise study; anticipate approval by the Board next month. Mr. Blaine Peterson, Director of Operations, updated on weather impacts due to the dense fog in early April and from the storm last week; several diversions and for the first time, use of the Customs facility -- everything went smoothly. Mr. Peterson described the Instrument Landing Systems (ILS), its purpose and how it works; the ILS is shut down at this time, spoke on the technical issues and possible solutions, questions followed. Mr. Peterson updated on the Runway 9/27 reconstruction Phase 3 – plan to start construction on Monday, May 13<sup>th</sup>, preconstruction meeting scheduled for April 22<sup>nd</sup> and the third workgroup construction meeting is scheduled for May 10<sup>th</sup>; anticipate presenting for Board approval in May and the grant process to follow. Questions and discussion followed
  - \* Sky Harbor: Mr. Peterson invited Ms. Kaci Nowicki and Ms. Benita Crow, SEH, to present on the Sky Harbor Airport runway realignment project. Ms. Crow gave a brief background recap on the environmental and construction process; she overviewed on the three phases and timelines; she reviewed the two key issues – runway pavement width and modifications to the scheduling, spoke on the public outreach and support for these issues. Ms. Nowicki overviewed and detailed on the airport owned land release to MnDNR and the LCCMR funding, timeline and schedule process.
  - \* Mr. Peterson presented a handout for the 2019 Capital Improvement Projects (CIP). He summarized and reviewed on the Duluth International and Sky Harbor airport projects. He explained the Passenger Facility Charges (PFC) local share for projects. This will be brought to the Board next month for approval.
  - \* Mr. Peterson updated on the FAA's Radio Transmitter Receiver (RTR). He explained current location, relocation plans to Sky Harbor Airport, use for the RTR and public outreach; continue to develop plans.
- Business/Property Development: Mr. Werner reviewed on the American Airline (AA) build-out. AA has announced Envoy as their ground handlers; Monaco Air will do the fueling and de-icing. They are in the process of hiring for the launch in May.
- Financial: Mr. Werner explained the first quarter financial would be presented in May. Ms. Joelle Bodin, Director of Finance and Administration, spoke on the State Audit -- completed the end of April. In May, along with the first quarter financials, she will speak on the 2018 review based on the audit numbers.
- Marketing: Ms. Natalie Peterson, Director of Communications & Marketing, the Fly Local campaign has launched; have had meetings with organizations and companies, great conversation and connection – campaign has been well received. Mr. Werner detailed further -- an additional opportunity to talk about the Denver project – a continuing process, more to come. The American Airlines launch is May 23<sup>rd</sup>; she reviewed the event plans,

marketing strategies, social media giveaways, treats – bringing a lot of great energy.

- Legislative: Last week Mr. Werner participated in the Aviation Days at the Capitol; updated on the Airport Zoning Legislation, he detailed on the House and Senate bill process. Passenger Facility Charge (PFC) increase, overviewed on the roundtable for a PFC discussion with Congressman Stauber and MCOA representatives in April – spoke on the agenda included in the correspondence section, hope to gain his support, a very good meeting.
- Other: Mr. Peterson updated on the Joint Airport Zoning Board (JAZB) and the draft zoning ordinance meetings and process -- moving forward.

Questions and discussion followed on several of the Executive Director's review items. Dir. Stewart moved to approve the March 19, 2019 meeting minutes and other consent items. Dir. Fellman seconded. Motion carried.

#### CONSENT ITEMS

Cash Disbursement Sheets #6 and #7, 2019. Construction Fund Sheet #4, 2019.

Duluth International Airport News: Star Tribune News Release "Shuttle between MSP and Duluth and Mankato Airports to launch with \$9 Fares.

E-Mail from Monaco Air Foundation with summary of March 2019 Activities.

Request letter from DAA to FAA for approval of Work Order #6-2015 for the 2015 Runway 9/27 Reconstruction Phase 1, as presented by SEH and Braun Intertec.

Request Letter from DAA to FAA for approval of Work Order #2016-4 for the 2016 Runway 9/27 Reconstruction Phase 2, as presented by SEH and Braun Intertec.

Monthly Duluth International Airport tenant operations meeting minutes.

Request letter from Citizens Committee Environment Concerns (CCEC) to DAA for draft copies of the Airport Master Plan and 2019 Zoning Plan.

Passenger Facility Charge Roundtable 8th Congressional District Commercial Service Airports agenda and information.

Metropolitan Airports Commission (MAC) Newsletter.

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. Peterson overviewed the amendments for Items A and B and recommended approval. Dir. administration, observation and closeout for Runway 9/27 reconstruction, phase 1 (center section) Duluth International Airport (DLH) and amendment #1 for SEH Work Order No. 2016-4 for construction administration, observation and closeout for Runway 9/27 reconstruction, phase 2 (west section) Duluth International Airport (DLH). Dir. Stewart seconded. Motion carried.

### NEW BUSINESS

Ms. Peterson explained the air service marketing grant and recommended approval. Dir. Stewart moved to accept and approve the resolution for the 2020 MnDOT Air Service Marketing grant and to authorize the Duluth Airport Authority's President and Secretary to execute the grant. Dir. Maki seconded. Motion carried.

Mr. Peterson overviewed on the Sky Harbor grant. Dir. Fedora moved to accept and approve the resolution for the MnDOT grant agreement No. 1033192 for supplemental EAW for 75-foot runway width at Sky Harbor Airport and to authorize the Duluth Airport Authority's President and Secretary to execute the grant. Dir. Stewart seconded. Motion carried.

Mr. Peterson explained the work order to go along with the grant and recommended approval. Dir. Maki moved to approve the resolution for SEH work order No. 2019-1 for the supplemental Environmental assessment (EA) – 75-foot runway width Duluth Sky Harbor Airport (DYT). Dir. Stewart seconded. Motion carried.

Mr. Peterson expressed his appreciation and recognition to the snow removal maintenance personnel for their dedication and hard work in keeping the runway safe and operational during regular and severe winter operations. Dir. McIsaac moved to approve the resolution to approve incentive award payments of \$300 for outstanding performance per the DAA Operation Policy #5 Employee Incentive Awards to the following employees – Mr. Paul Sinnott, Mr. Dan Taylor, Mr. Matthew Johnson, Mr. David Cooke, Mr. Michael Amlin, Mr. Wayne Fichtner, Mr. Roger Engelmeier, Mr. Wade Cossalter and Mr. Derek Anderson. Dir. Stewart seconded. Motion carried.

Ms. Bodin spoke on the amendment to the contract. Dir. Fedora moved to approve the resolution to amend the Executive Director contract. Dir. Stewart seconded. Motion carried.

Mr. Werner briefed and overviewed on the scopes for Items F, G and H, he recommended approval for all three resolutions. Dir. McIsaac moved to approve the resolution for the Duluth

International Airport (DLH) Master Plan Scope and Exhibit A property map; resolution for the SEH Work Order No. 2019-2 for Exhibit A property map for Duluth International Airport (DLH) and resolution for the SEH Work Order No. 2019-3 for the Airport Master Plan and Airport Layout Plan for Duluth International Airport (DLH). Dir. Maki seconded. Motion carried.

Mr. Peterson gave background information and reviewed the tax-forfeited land; he recommended approval. Questions followed. Dir. Maki abstained from the discussion and vote. Dir. Fedora moved to approve the resolution for authorizing application for a state conditional use deed for tax-forfeited land. Dir. Fellman seconded. Motion carried.

Dir. McIsaac commended Mr. Werner for his efforts and actions in helping with the return of Petty Office Second Class Dante Tini, a soldier from Pearl Harbor.

Dir. Maki moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. President Butler adjourned the April 16<sup>th</sup> DAA Board meeting at 9:27 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

APPROVED: Kenneth D. Baetz DATE: 5-21-19