



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: May 21, 2019

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Richard Stewart
Todd Fedora
Don McIsaac

DIRECTORS ABSENT: 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 Communications & Marketing
Joelle Bodin, Director of Finance & Administration
Jana Kayser, Business Development Manager
Ryan Welch, Airport Facilities Manager
Brian Madsen, Sky Harbor Manager
Kathy Leon, Confidential Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Bill King, Cirrus Design
Peter DeSutter, AAR
Nicholas Hugo, American Airlines/Envoy
Bob Lender, FAA
Dwight & Jean Morrison, CCEC
Robert & Faye Topliff, CCEC

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 introduced the new American Airlines (AA) / Envoy Station Manager, Mr. Nicholas Hugo. Mr. Hugo briefed on his background and expressed his excitement for managing the AA operations at DLH. The Board welcomed him. Mr. Werner updated on the following:

EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: A relatively even month with a 4.4% increase year to date (YTD) passengers from April 2018 to 2019. Delta YTD has a slight decrease, but a 3.4% increase for the month, United had a slight monthly decrease of 2.4% and another strong YTD showing with a 12% increase -- going forward with AA, will be interesting to see the percentages. Mr. Werner presented a snapshot and summary of the DLH air service for fourth quarter 2018 and moving forward. He spoke on increases to flights, passengers, fares, Revenue Per Available Seat Mile (RASM) performances, top originating destinations, market shares, leakage by airport and carrier; will continue to monitor -- questions followed. Mr. Werner will be attending the annual Jumpstart Conference in June -- confirmed meetings with Delta, Allegiant, Sun Country and American.
- Airfield operations and development:
 - * Airside: Mr. Werner invited Ms. Kaci Nowicki to present on the Master Plan (MP), Exhibit A property map and FAR Part 150 noise study scoping and budget update. She overviewed on the MP Public Involvement Plan (PIP), the Master Plan Advisory Committee (MPAC), branding and project website set up, Mr. Werner detailed further. She spoke on the overall MP process and Exhibit A property map research. Ms. Nowicki summarized on the FAR Part 150 study scope -- maps, compatibility program, public information process, timeline, project budget and next steps -- anticipate an 18 to 24 month process for this study. Mr. Blaine Peterson, Director of Operations, updated on the Runway 9/27 reconstruction -- ponding issue from Phase 1 and 2, mitigation procedure to happen this Friday, questions followed; Updated on the third workgroup meeting -- good participation and representation; Construction has started, kudos to Shafer Construction -- great communication and work ethic; Slight traffic control issue -- will better define the public and construction traffic routes. He presented slides for Phase 3, timeline schedule and detailed on the project work; have started the weekly construction meetings along with a weekly high point fifteen minute brief for off-site stakeholders. Mr. Peterson invited Mr. Bob Lender, FAA Technical Operations, to speak on the Runway Instrument Landing Systems (ILS). Mr. Lender overviewed on the reliability and siting issues, corrections and the long-term plan to move ILS site; questions and discussion followed. Mr. Peterson updated on the Air Show -- at a recent meeting there was a discussion about changes to the Friday military show -- explained the situation of incorrect information provided by the Air Show representatives regarding the airport and airline operations, detailed on the importance of Temporary Flight Restrictions (TFR) timeline and adjustments; trying to schedule a meeting and conversation with Air Show representative and Veteran stakeholders to explain changes and correct the record. Mr. Werner commented on the situation, communication and partnership; questions and discussion followed.
 - * Sky Harbor: Mr. Peterson spoke on the runway width alternative update, the environmental assessment (EA) should be completed by August; Phase 3 of the Sky Harbor Airport runway realignment project is out for bid now, overviewed on project, timeline, weather concerns, bid alternative and bargaining materials. Updated on the FAA's

Radio Transmitter Receiver (RTR) and the public information process. Mr. Peterson spoke on the current operations at Sky Harbor -- high water levels and preventative seaplane ramp work due to those levels, Mr. Brian Madsen, Sky Harbor Manager, detailed further.

- Business/Property Development: Ms. Jana Kayser, Business Development Manager, overviewed on the American Airline (AA) build-out, thanked the terminal facilities crew for all their time and work on this startup -- the AA launch will be this Thursday. Landline is starting up in June, spoke on the hiring process, everything is going smoothly -- launch will be June 4th.
- Financial: Ms. Joelle Bodin, Director of Finance and Administration, overviewed on the completed State Audit, final published audit will be sent to everyone in a few weeks. She presented and detailed on the 2018 year end summary and 2019 first quarter financials; briefed on the Sky Harbor Airport financials.
- Marketing: Ms. Natalie Peterson, Director of Communications & Marketing -- continue the business meetings regarding Fly Local campaign, good conversations and support. Detailed on the American Airlines launch event timeline and giveaway items, a water salute is planned and spoke on the social media opportunity with the first flight departing.
- Legislative: Mr. Werner explained the airport zoning legislation is in, along with an increase to the MnDOT base appropriation for airport use on capital projects. Passenger Facility Charge (PFC) still no word from Congressman Stauber on formal position with PFC's.
- Presentations Recap: Mr. Werner attended the AAAE Economic Development conference, great presentations and conference; MCOA annual conference, very good, one of the best attended; presented at the Leadership Duluth Transportation Day, received very well and will be in DC with the Military Affairs Committee advocating for the 148th Fighter Wing.
- Other: Mr. Werner updated and reviewed the process for renewing the five-year strategic plan; Ms. Ann Glumac will be facilitating this process -- targeting August for the meeting date. The June Board meeting will be held at Sky Harbor Airport. Mr. Peterson updated on the Joint Airport Zoning Board (JAZB) and the draft zoning ordinance meetings and process. Mr. Peterson spoke on the on the planning and coordination with family and organizations for the event returning Petty Officer Tini; a great honor to be a part of this event. The Board expressed their appreciation for all the work and coordination in this endeavor.

Questions and discussion followed on several of the Executive Director's review items. Dir. Stewart moved to approve the April 16, 2019 meeting minutes and other consent items. Dir. McIsaac seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #8 and #9, 2019. Construction Fund Sheet #5, 2019.
E-Mail from Monaco Air Foundation with summary of April 2019 Activities.

Memorandum regarding Runway 9/27 Reconstruction Phase 3 – public outreach efforts.
May Business North article “Duluth International Airport Attracts Third Carrier, Bus Service”.
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

Pres. Butler invited Mr. Dwight Morrison to speak to the Board. Mr. Morrison, Citizens Committee for Environment Concerns (CCEC), explained his involvement in noise issues for the last thirty to forty years and his interest in the monitoring of the noise study. He attended today's meeting for information on the Master Plan and FAR 150 noise study. He expressed his appreciation for the presentations today, and requested copies of these presentations. Pres. Butler thanked Mr. Morrison for his comments and encouraged his committee to follow the website information and attend the planned public information meetings to share any concerns they may have. DAA will make their best efforts to address the committee concerns.

Ms. Fay Topliff was invited to speak to the Board. Ms. Topliff, CCEC, gave background on the committee and expressed frustration for not being able to call FAA to voice noise complaints. She recommended a noise complaint line be made available. She also questioned the speaker microphone capability at this meeting. Pres. Butler thanked her for her comments and encouraged that she attend and voice her concerns at the upcoming public meetings.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Peterson explained the Capital Improvement Projects (CIP) grant process and summarized on 2019 projects. Mr. Werner detailed further. Questions followed. Dir. Fedora moved to approve the resolution for the 2019 Capital Improvement Projects for the Duluth International Airport (DLH) and Sky Harbor Airport (DYT). Dir. Stewart seconded. Motion carried.

Ms. Bodin overviewed Items B and C, the State maintenance and operations agreements for DLH and DYT and recommended approval. Dir. Tanski moved to accept and approve both resolutions for Maintenance and Operations Agreement #1033478 for fiscal years A6901A-M020 and A6901-M021 for the Duluth International Airport (DLH) and #1033477 for fiscal years A6901-M020 and A6901A-M021 for the Duluth Sky Harbor Airport (DYT) and to

authorize the Duluth Airport Authority's President and Secretary to execute the grant. Dir. McIsaac seconded. Motion carried.

Ms. Kayser spoke on background information and reviewed the 4-K run at Sky Harbor Airport, she recommended approval. Dir. McIsaac moved to approve the resolution to Runway 4-K Run at Sky Harbor Airport. Dir. Tanski seconded. Motion carried.

Ms. Kayser overviewed the land lease agreement. Dir. Tanski moved to approve the resolution for the hangar land lease agreement between the Duluth Airport Authority and Duluth Hangar LLC (formerly Lake Superior Aviation and Jet Duluth). Dir. Fedora seconded. Motion carried.

Ms. Kayser explained the space lease agreement for TSA. Dir. Tanski moved to approve the resolution for the terminal space lease agreement between the Duluth Airport Authority and General Service's agreement (GSA). Dir. Stewart seconded. Motion carried.

Dir. Fedora left the meeting at 9:56 a.m.

Ms. Kayser spoke on background information and summarized on the 2021 Air Show agreement. Questions on language and discussion followed. Dir. McIsaac moved to table the Duluth Air & Aviation Expo Air Show and Exhibition agreement between the Duluth Airport Authority and Kernz & Kompany for one month. Dir. Stewart seconded. Motion carried.

Pres. Butler explained his term would be ending at the end of June, if any Board member has interest in serving on the Executive Board, please let him know.

Dir. Tanski moved to adjourn the meeting. Dir. McIsaac seconded. Motion carried. President Butler adjourned the May 21st DAA Board meeting at 10:07 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 6/18/19