



Air Service Review Session DAA Special Meeting

DATE: July 28, 2016

PLACE: Pier B Resort
Pilot House Room

DIRECTORS PRESENT: Pat Mullen
Ken Butler
Sue Ross
Richard Stewart
Todd Fedora

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Natalie Peterson, Com. & Marketing Director
Joelle Bodin, Finance & Administration Director
Joan Christensen, Assistant City Attorney
Steve Hanke, Assistant City Attorney
John DeCoster, Trillion Aviation
Mike Bown, Trillion Aviation
Ken Stromquist, Past DAA Director
Heather Rand, City of Duluth
Benita Crow, SEH
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Rob Missinne, Monaco Air Duluth

President Mullen welcomed everyone and called the air service review session to order at 1:00 p.m. He explained Agenda Items 1 through 6 are not applicable and the framework for this update/planning session is to accomplish Board alignment and work on the direction for the airport for the coming year and beyond. This is an opportunity for the Board to interact; the three minute speaking rule will be relaxed and he urged everyone to engage and participate. Pres. Mullen invited Mr. Tom Werner, Executive Director, to overview on this process. Mr. Werner thanked everyone for their time and spoke on the purpose for these meetings are to prioritize, as a group, air service development and to arm the Board with the right information to build community awareness on air service and the importance to fly local.

Dir. Fedora arrived at 1:07 p.m.

Mr. Werner commented on the format, speakers and discussion planned for this session. He introduced Mr. Mike Bown, Trillion Aviation, to speak on the state of the airline industry. Mr. Bown provided a brief background history on his airline and consulting experience and presented on the industry history, historical trends, the state of the Duluth International Airport (DLH) air service and review of other similar airports and potential opportunities -- near and longer term. Discussion followed. He summarized on the challenges and issues on airports in close proximity to major hubs. Mr. John DeCoster, Trillion Aviation and Mr. Werner detailed further on air service and opportunities. Mr. Bown overviewed on the growth opportunities. Questions and discussion continued.

Mr. Werner presented on air service incentives and subsidies as tools in attracting and maintaining air service. Need to be competitive and to be successful to sustain service - support of businesses and engage the community. Questions and discussion followed. He spoke on issues and financial risks with new opportunities and detailed on development of incentive packages, provided several examples and sources and spoke on how they could fit in the market.

Pres. Mullen and Mr. Werner recommended a ten minute break at 2:21 p.m.

Pres. Mullen reconvened the air service review session at 2:31 p.m. The meeting opened with a recap on previous presentations. Detailed discussion and questions on targeting leakage of passenger travelers to Minneapolis.

Mr. Werner spoke on potential route opportunities. Mr. Bown overviewed on attracting service and demands for destination. He summarized on three route attractions, Detroit, Denver and Phoenix/Mesa. Mr. Werner explained the community user survey results and meetings with airlines for future opportunities. Discussion and questions followed. Mr. Bown touched on ground network opportunities -- will be discussed in more detail at tomorrow's session.

Mr. Werner opened the meeting up for discussion on air service priorities. Questions, comments and discussion around the tabled followed regarding the Director's perspectives on priorities, issues and opportunities. Pres. Mullen recommended that Mr. Werner recap all the priorities tomorrow morning. Discussion continued.

Mr. Werner spoke on the two Board members that have left recently and invited, Ms. Heather Rand to the front. Mr. Werner and Pres. Mullen expressed their appreciation for her economic development knowledge, both local and State, hard work and community service that she brought to this Board. They presented her with an appreciation plaque. Dir. Rand thanked the Board for the wonderful opportunity to serve and hoped they will seek out the City support when needed.

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Mr. Werner invited Mr. Ken Stromquist to the front. Mr. Werner and Pres. Mullen expressed their appreciation to Mr. Stromquist for his term these last six years, and his vast knowledge and experience with aviation and the airfield. Mr. Werner thanked him for his leadership and mentorship and presented him with an appreciation plaque. Mr. Stromquist thanked the Board, the success of this Board with the 9/27 reconstruction will be longed remembered.

Ms. Natalie Peterson, Communication and Marketing Director, invited everyone to the social hour immediately following. The special session will resume tomorrow at 8:00 a.m.

Director Fedora moved to adjourn the session. Dir. Stewart seconded. The Air Service Review session for July 28th was adjourned at 4:00 p.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 9-20-16