



**DULUTH INTERNATIONAL AIRPORT**

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**MINUTES OF THE MEETING**

DATE: November 22, 2016

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

DIRECTORS PRESENT: Pat Mullen  
Ken Butler  
Todd Fedora  
Richard Stewart

DIRECTORS ABSENT: Anna Tanski  
Sue Ross

OTHERS PRESENT: Tom Werner, Executive Director  
Mary Ann Wittkop, Recording Secretary  
Joan Christensen, Assistant City Attorney  
Natalie Peterson, Director of Marketing & Communications  
Joelle Bodin, Director of Finance & Administration  
Brian Madsen, Sky Harbor Manager  
Jana Kayser, Part Time Bookkeeper  
Benita Crow, SEH  
Mike Magni, Monaco Air Duluth

President Mullen welcomed everyone and called the meeting to order at 8:03 a.m. He thanked the public for their interest and reminded people to sign in for the Opportunity to be Heard section. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

**EXECUTIVE DIRECTOR'S REVIEW**

- Air Service: Meeting with Delta in the next several weeks, will mention positive numbers to maintain profitability -- year to date (YTD) numbers decreased by 6.5%, October month to month increased by 2.6%, Delta YTD decreased by 1.4% and United YTD decreased .3%; Allegiant Phoenix/Mesa attraction strategy, continue to reach out to stakeholders for support, future meetings with Visit Duluth to discuss next steps -- all coming together.
- Airfield operations and development:
  - \* Airside: Mr. Werner spoke on Runway 9/27 reconstruction – conversation with Governor's office, stakeholders and City leadership to move issue along, a Phase 1 grant will be expiring in fall of 2018, evaluating options, Phase 2 is still scheduled for next year -- meeting with City leadership this afternoon to advance discussion; Triggering event Master Plan and airport noise contour

update will be moved to next month for more in depth information; FAA ILS project complete and back in operation as of November 17<sup>th</sup>, great job to FAA for completing project; Airfield fence project -- updating certain airfield fence line and gate areas, project moving along should be complete next spring.

- \* Landside: FBO remodel update -- coming along and in last phase; Mr. Mike Magni, Monaco Air Duluth, detailed further, hope to have activity by end of the year; Cirrus completion center -- occupying building, close to being operational; Terminal cleaning and maintenance contract, advertising for RFP next week, recommendation for approval in future months.
- \* Business Development: Winter testing facility -- ongoing, working on proposal to move forward; FedEx development, updated on environmental and construction process for site, more to come; Air National Guard land lease -- working through details on property lease extension with the Guard Bureau for environmental cleanup and monitoring process.
- \* Sky Harbor: No new developments.
- Marketing update: Ms. Natalie Peterson, Director of Marketing & Communications, spoke on the Bentleyview sponsorship with United -- DAA volunteer night scheduled for December 18<sup>th</sup>; Started process for renewing 2017 Corporate Parking.
- Financial: Ms. Joelle Bodin, Director of Finance & Administration, presented on the third quarter financial review for Duluth International and Sky Harbor Airport. Mr. Werner complimented Ms. Bodin on the easy flow and improvements to the presentation; The City Council 2017 DAA budget presentation is scheduled for December 1<sup>st</sup>; Airport parking operation agreement will be tabled until next month, working on final negotiations and detailed on key points.
- Legislative update: Mr. Werner commented on the capital funding request, he and Dir. Butler met recently with the Governor and feel he is in strong support of the request and project; Final stages of the State zoning reform, important meeting next week with MCOA, MnDOT and the MAC working out details; Questions and discussion followed on the capital funding request -- recommendation to have lobbyist Mr. Gary Cerkenik speak at a future 2017 meeting to update on the landscape of legislative session.
- Other Items: Aviation Cluster Economic Impact Study, still reaching out collecting data, hope to send off data to MN DEED by end of the year; Handout regarding the vacant Director's position with matrix of candidates for review, two possible recommendations to the Mayor, discussion and comments followed on process, Board members are comfortable with the process; Mr. Werner briefed on the AAAE certified member course attended last week -- very good material and course, exhibited different functions of airport management; Upcoming presentation with the Range Regional Airport Director to the Grand Rapids Chamber of Commerce regarding the importance of air service development in northern Minnesota.

Questions and discussion followed on several of the Executive Director's review items. Dir. Butler moved to approve the October 18th meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

#### CONSENT ITEMS

Cash disbursement sheets #21, and #22, 2016 and Construction Fund Sheet #9 and #10, 2016.

Copy of letter from Senators to Federal Aviation Administration (FAA) administrator with concerns regarding a FAA industry working group proposal that could reduce the amount of flight hours required for commercial first officer training and letter from the Regional Air Service Alliance (RASA) responding to Senators letter.

Aviation news: Aviation Daily "Departure Opinion On Current Issues in Aviation" and Airport Business "Airline Cutbacks Hit Smaller Airports Hard".

E-mail from Monaco Air Foundation with summary of October 2016 activities.

#### OPPORTUNITY FOR PERSONS TO BE HEARD

None.

#### OLD BUSINESS

Mr. Werner summarized on the development of a formal structure for the regular meeting schedule for each of the committees and recommended approval. Pres. Mullen expressed his appreciation to the Board in this process and recommended an update in February by each committee. Discussion followed. Dir. Fedora moved to approve the 2017 DAA committee calendar. Dir. Butler seconded. Motion carried.

Ms. Bodin explained and detailed on the template for the hangar lease agreements. Questions and discussion followed. Dir. Fedora moved to approve the resolution for the hangar agreement template for use by Monaco Air for General Aviation T and Ranch Hangar rentals on behalf of the Duluth Airport Authority. Dir. Butler seconded. Motion carried.

Ms. Bodin spoke on the add on agenda item for rates and charges. Dir. Butler moved to approve the resolution for the 2017 Rates and Charges Addendum. Dir. Stewart seconded. Motion carried.

#### NEW BUSINESS

Ms. Bodin summarized on the collective bargaining agreement and recommended approval in form. Questions and discussion followed. Dir. Fedora moved to approve in

form the 2017 – 2019 collective bargaining agreement between the Duluth Airport Authority and AFSCME Local 66 and cost of living adjustment increase to management staff. Dir. Stewart seconded. Motion carried. Pres. Mullen thanked Ms. Bodin for her updates these last several months on this agreement.

Mr. Werner detailed on the airline use and lease agreement. Dir. Stewart moved to approve the airline use and lease agreement between the Duluth Airport Authority and SkyWest Airlines, Inc. Dir. Butler seconded. Motion carried.

Mr. Werner recommended New Business Item C be tabled until December. Dir. Butler moved to table the resolution for the airport parking operation agreement between the Duluth Airport Authority and Republic Parking System. Dir. Stewart seconded. Motion carried.

Dir. Stewart spoke on the add on agenda Item G Regional Airport Authority discussion. He questioned the process for formally moving forward in the direction of a regional airport. Mr. Werner explained this topic is on the DAA strategic plan and due to finance, time and process this has been postponed. Detailed discussion followed.

Dir. Butler moved to adjourn the November 22<sup>nd</sup> meeting. Dir. Stewart seconded. Motion carried. Pres. Mullen adjourned the November 22<sup>nd</sup> DAA Board meeting at 9:25 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

APPROVED: Kenneth D. Butler DATE: 12-20-16  
Vice-President