



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: March 20, 2018

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

DIRECTORS PRESENT: Ken Butler
Anna Tanski
Craig Fellman
Pat Mullen
Richard Stewart
Todd Fedora

DIRECTORS ABSENT: Pascha Apter

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
Kathy Carver, Confidential Bookkeeper
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Kaci Nowicki, SEH
Scott Sannes, SEH
Don Monaco, Monaco Air Duluth
Eric Monson, Lake Superior Helicopters
Eric Harju, Delta Global
Andrew Samberg, RS&H

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 invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner explained there would be employee recognitions and gave background information on a minor security breach and how several Delta Global Services (DGS) employees recognized and addressed the security situation. Not all the DGS employees involved were here today, but he invited Mr. Eric Harju to the table. Mr. Werner and the Board thanked Mr. Harju for his outstanding service. Mr. Werner presented on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – not the best month with decrease in passengers 4.4%; Delta YTD 7.2% decrease and United, for the first

time in three years, had a negative month with YTD decrease of less than a tenth of a percentage. The United mainline launched on March 9th and went very well, passenger numbers far exceed expectations, very excited with the community response. Phoenix/Mesa air service attraction – still waiting for an update. Bank analysis – planned on speaking on this today, but due to time restraints will present in April. Other air service notes – spoke on seat capacity, up 15%; United Express will be bringing back the seasonal fourth flight service, no response from Delta at this time.

- Airfield operations and development:
 - * Airside: Mr. Werner explained Mr. Blaine Peterson, Director of Operations, is attending the AAAE accreditation course in Dallas this week. Mr. Werner detailed on the taxiway widths, plans, next steps and timelines for the runway 9/27 construction project. Questions and discussion followed. Mr. Werner spoke briefly on the grooved construction timeline.
 - * Business Development: Update on the signatory airline agreements – Delta and United representatives were up for a site visit and to discuss contracts, moving along very well. Hangar 2 update – officially vacant; Rental Car agreements – researching requests for all agencies for a five year extension, should be meeting in the next several weeks.
 - * Sky Harbor: Hangar Lot 8 – no new updates, expecting RFP responses in the next several weeks.
- Financial Update: State Auditors are here, going very well. Question and discussion followed on use of private CPA firms.
- Marketing Update: Will present on the marketing strategy in April.
- Legislative update: Statewide Airport Zoning Reform bill and timeline – moving along. Detailed and reviewed on initiative in the letter to legislators regarding reauthorization of the Federal Aviation Administration.
- Fare Sampling: Mr. Werner summarized and spoke on the methodology of the fare sampling hand out presenting the leisure and business fares. Comments and discussion followed.

Questions and discussion followed on several of the Executive Director's review items. Dir. Fedora moved to approve the other consent items. Dir. Mullen seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #4 and #5, 2018. Construction fund sheets #3 and #4, 2018, 2018.
Letter from Minnesota Pollution Control Agency to DAA regarding petroleum storage tank release site file closure.

E-Mail from Monaco Air Foundation with summary of February 2018 activities.

Letters from DAA to Congressman Nolan, Senator Klobuchar and Senator Smith regarding reauthorization of the Federal Aviation Administration.

News release from Metropolitan Airport Commission "Minneapolis-St. Paul International Airport ranked Best in North America for 2nd Consecutive Year".

Letter from DAA to Congressman Nolan regarding inquiry into lease DAA-25-057-ENG-1956 between the Air National Guard and the Duluth Airport Authority (DAA).

DNT news release "Northland Infrastructure Grades as average".

Monthly construction project progress report for Runway 9/27 Reconstruction, Phase 1 Report #7, Runway 9/27 Reconstruction, Phase 2 Report #7 Airfield Perimeter Fence, Phase 1 Report #6, Airfield Perimeter Fence, Phase 2 Report #2, Runway 9/27 Obstruction Removal Report #2 and Sky Harbor Airport Runway Relocation, Phase 1 Report #7.

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

Mr. Werner reviewed the airline agreement. Dir Stewart moved to approve the airline use and lease agreement between the Duluth Airport Authority and United Airlines. Dir. Tanski seconded. Motion carried.

Mr. Werner explained Item B and C were separate resolutions due to the different airport locations. He summarized on the two concession agreements. Dir. Tanski moved to approve the resolution for the food and beverage vending concession agreement between the Duluth Airport Authority and On Site Enterprises, Inc. Dir. Stewart seconded. Motion carried.

Dir. Tanski moved to approve the resolution for the Sky Harbor Airport food and beverage vending concession agreement between the Duluth Airport Authority and On Site Enterprises, Inc. Dir. Stewart seconded. Motion carried.

Mr. Werner spoke on the Sky Harbor storage agreement and recommended approval. Dir. Fedora moved to approve the Sky Harbor concession and storage agreement between the Duluth Airport Authority and Love Creamery. Dir. Tanski seconded. Questions followed. Motion carried,

Mr. Werner summarized on the 4K run in conjunction with the air show. Questions and discussion followed. Dir. Stewart moved to approve the Sky Harbor license agreement between

DAA Minutes
March 20, 2018
Page 4

the Duluth Airport Authority and Kernz & Kompany for the 4K Run at Sky Harbor Airport. Dir. Tanski seconded. Questions followed. Motion carried,

Dir. Stewart moved to adjourn the meeting. Dir. Mullen seconded. Motion carried. Pres. Butler adjourned the March 20th DAA Board meeting at 8:38 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth O. Butler DATE: 4-17-18