



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: April 17, 2018

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

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

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 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
Mike Magni, Monaco Air Duluth
Eric Monson, Lake Superior Helicopters
Andrew Samberg, RS&H
Jenna Kowaleski, Swim Creative
David Sadowski, Swim Creative
Jerry Simonson, Hertz Car Rental
Peter DeSutter, AAR
Steve Hanke, Assistant City Attorney

President Butler welcomed everyone and called the meeting to order at 7:59 a.m. He invited Mr. Tom Werner, Executive Director, to present on the Executive review. Mr. Werner recognized all involved for their tremendous efforts during this weekend's weather event. Due to the extreme weather, MSP had to shut down -- there were eleven diversions with deplanements and passengers needing accommodations. Kudos to all for making this event an extremely fluid process -- Monaco Air, air traffic tower, DGS, ticketing agents, rental cars and restaurant employees. Special thanks to Mr. Blaine Peterson, Operations Director, Ms. Natalie Peterson, Director of Marketing and Communications, the cleaning crew, Marsden's and all stakeholders

for their outstanding service. Feedback received has been positive and much appreciated. The Board thanked and applauded all involved. Mr. Werner added congratulations to Mr. Peterson who attended the AAAE accreditation academy course in Dallas last month -- he is now the newest certified member for the airport industry -- credentials well earned. Mr. Werner presented and updated on the following:

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – the numbers seem a little skewed with decrease in passengers 4.8%; Delta YTD 3.4% decrease is most likely accurate, but the United YTD decrease of 8.1% is questionable. Researching now, believe that only SkyWest numbers were reported and not the United mainline passenger numbers. The United mainline average load factor is 55%, which is okay, will be pulling the Sunday morning mainline due to low numbers, hope to switch back to the SkyWest CRJ for that flight service; next meeting scheduled with SkyWest and United will be in June. Phoenix/Mesa air service attraction – still waiting on DOT, hope for an announcement in sixty days. Mr. Werner presented and gave background information on the DLH connectivity analysis – this analysis is to show connectivity from DLH and where scheduling may be adjusted, summarized on connectivity for Delta and United. Spoke on the fare sampling hand out – fares can change at any given time, this sampling shows there are opportunities to fly local, will continue to check. Reviewed year-to-year comparisons on schedules and seat capacity, questions and discussion followed.
- Airfield operations and development:
 - * Airside: Mr. Blaine Peterson, Director of Operations, invited Ms. Benita Crow and Ms. Kaci Nowicki, SEH, to the table. Ms. Crow updated and presented graphics on the next steps and schedules for Phase 1 and 2 for the runway 9/27 construction project. Questions and discussion followed. Ms. Nowicki detailed further on FAA mandates and planning process. Ms. Crow overviewed on Phase 3 construction and schedule. She addressed the additional concerns from stakeholders. Mr. Peterson explained United's concerns on utilization of Runway 3/21 approach, working with the FAA for the paperwork review and process. Ms. Nowicki presented on the Phase 3 taxiway widths update. She spoke on the analysis for the taxiway design plans, detailed on funding, the design standards process and planned timeline. Questions followed. Mr. Werner reviewed on funding options and objectives. Further discussion followed. Mr. Werner spoke on the correspondence request from the CCEC regarding airport noise – he referred to the DAA response letter from May 15, 2017 addressing these items, will be sending an update letter to address their concerns and to revise two facts and timeline.

Dir. Mullen left the meeting at 9:09 a.m.

- * Business Development: Updated on the signatory airline agreements negotiations – working on one standing issue, moving along. Hangar 2 update – officially vacant and

being advertised; Reviewed the ANG lease package, moving along; Rental Car agreement amendments – will be meeting with rental car agencies next week; Off airport rental car regulations -- researching and developing an off airport contract; WLSSD land lease -- provided background information, they have initiated renewal process.

- * Sky Harbor: Hangar Lot 8 – RFP responses are due May 4th; Opportunity to have a courtesy car available at Sky Harbor for pilots, working on insurance requirement and details. Mr. Peterson updated on the Phase 2 runway construction, timeline and public outreach – a more in depth presentation scheduled for May with bids and recommendations.
- Financial Update: Ms. Joelle Bodin, Director of Finance & Administration -- State Auditors completed their work here last week, spoke on timeline for published audit; Auditor RFP update – per the enabling legislation, the City Auditors are able to determine who audits the Authority books, discussion followed. Mr. Werner recommended he draft a letter for the City Auditor with a formal request for a RFP.
- Marketing Update: Natalie Peterson, Director of Marketing and Communications – we know have help to greet passengers, a new Ambassador, Theresa, she is through the Work Force Development program; Hosted the Hermantown Chamber unWINEd event, very successful; Gave background information on past marketing strategies and introduced Ms. Jenna Kowaleski and Mr. David Sadowski, Swim Creative, to present on the 2018 marketing strategy. Ms. Kowaleski overviewed on the campaign, goals, creative strategy –“It’s Simple Fly DLH”, timelines for traditional and digital ads and presented samples and scripts for the ads and commercials. Mr. Sadowski and Ms. Peterson detailed further. Ms. Peterson spoke on the Fly Local Campaign -- plan to hold a special meeting in the future to receive input from the Board members.

Dir. Stewart left the meeting at 9:30 a.m.

- Legislative update: Mr. Werner updated on the Statewide Airport Zoning Reform bill and timeline; National legislative update – meetings in Washington with legislators and reviewed Omnibus bill that has been announced.
- Presentations: Mr. Werner presented to the Superior Chamber Board; the MCOA conference is this week and he will be attending the Aviation day at the Capital next week.

Questions and discussion followed on several of the Executive Director’s review items. Dir. Tanski moved to approve the February 20th and March 20th, 2018 minutes and other consent items. Dir. Fellman seconded. Motion carried.

CONSENT ITEMS

Cash Disbursement sheets #6 and #7, 2018. Construction fund sheet #5, 2018.

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

Airport news releases: Arno Rosenfeld – Casper Star Tribune “Wyoming State-Run Air Service Moves Forward, Framed as Essential to Economic Diversification; Chicago Tribune “O’Hare’s On-Time Performance Improves, Moves from Bottom of the Pile to Middle: FAA”; Progress Minnesota – Finance & Commerce “Monaco Air Duluth”; April/May 2018 Midwest Flyer Magazine “Duluth to Host Minnesota Airports Conference”.

Monthly Construction Runway 9/27 Obstruction Removal Report #3 and Sky Harbor Airport Runway Relocation, Phase 1, Report #8.

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 briefed on the extended lease agreement and recommended approval. Dir. Apter moved to approve the resolution for lease amendment No. 2 GS-05-LMN17690 between the Duluth Airport Authority and GSA/TSA. Dir. Tanski seconded. Motion carried.

Mr. Peterson overviewed on the repairs of the utility system and recommended approval. Dir. Fedora moved to approve a Military Construction Cooperative Agreement (MCCA) #W912Lm-18-2-2001 between the Guard and National Guard Bureau and Duluth Airport Authority to repair MSA utility systems. Dir. Apter seconded. Motion carried.

Mr. Peterson spoke on the cable installation and recommended approval. Dir. Tanski moved to approve the resolution for SEH Work Order No. 2018-1 for construction administration and observation, arresting gear systems replacement between the Duluth Airport Authority and Short Elliott Hendrickson, Inc. (SEH). Dir. Fellman seconded. Motion carried.

Ms. Bodin reviewed background information on Hansen Lease & Rental and avenues pursued to collect funds. Questions and comments followed. Dir. Fedora moved to approve the resolution to write off the Hertz Hansen Lease & Rental receivable balance in the amount of \$5,862.12. Dir. Tanski seconded. Questions followed. Motion carried.

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Dir. Apter moved to adjourn the meeting. Dir. Fellman seconded. Motion carried. Pres. Butler adjourned the April 17th DAA Board meeting at 9:59 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Kenneth D Butler DATE: 5-15-18