



## MINUTES OF THE MEETING

DATE: February 20, 2018

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

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

DIRECTORS ABSENT: Todd Fedora  
Pascha Apter

OTHERS PRESENT: Tom Werner, Executive Director  
Blaine Peterson, Director of Operations  
Natalie Peterson, Director of Marketing & Communications  
Joelle Bodin, Director of Finance and Administration  
Jana Kayser, Part Time Bookkeeper  
Benita Crow, SEH  
Kaci Nowicki, SEH  
Shawn McMahon, SEH  
Dan Traska, LSC  
Rob Missinne, Monaco Air Duluth  
Eric Monson, Lake Superior Helicopters

President Butler welcomed everyone and called the meeting to order at 8:00 a.m. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

### EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Mr. Werner spoke on the year to date (YTD) passenger numbers – 1.8% decrease; Delta YTD down 5.7% and United YTD very strong with 3.8% increase; spoke on mainline service impact to fares, help to increase competition. Phoenix/Mesa air service attraction update – no updates or news at this time; staff will be meeting with Superior Chamber regarding grant application; Allegiant will begin international service in 2019, good news for smaller communities in 2020. Nashville charter update – disappointing news, Sun Country withdrew, back to revenue guarantee from each community, will step back from this venture. Questions and discussion followed.

Mr. Werner introduced and thanked, Mr. Dan Traska, Lake Superior College, for hosting this meeting.

- Airfield operations and development:
  - \* Airside: Mr. Blaine Peterson, Director of Operations, reviewed the background information for FAA mandates on taxiway widths, discussions and meetings with FAA and main airfield tenants. Ms. Kaci Nowicki, SEH, presented an overview and explained the analysis for Taxiway Alpha 5 width -- design standards, FAA aircraft grouping, funding process and sources. She described potential design options, Mr. Werner detailed further. Questions and discussion followed. Mr. Peterson updated on the obstruction removal project -- on time and largely complete; Arresting gear project -- 148<sup>th</sup> may have funding, spoke on project and tentative timeline.
  - \* Landside: Energy conservation project -- reviewed on updating lights at the SRE and Sky Harbor and Minnesota Power rebates.
  - \* Business Development: Mr. Werner updated on the three signatory airline agreements, Delta, SkyWest and United mainline. Reviewed on the United Airlines ticketing and gate access upgrades, upcoming TSA lease extension and renewal and vending RFP, have received good responses.
  - \* Sky Harbor: Mr. Werner updated on Lot 8 hangar development -- RFP is out, receiving a lot of attention. Mr. Peterson reviewed on the Runway 14/32 relocation project and updated on the dredge material issue and funding impact. Questions followed. Mr. Peterson overviewed on the seaplane ramp concerns -- spoke on short and long term solutions.
- Financial Update: Ms. Joelle Bodin, Director of Finance and Administration, summarized on the annual audit and timeline.
- Marketing Update: Ms. Natalie Peterson, Director of Marketing & Communications, -- working on media marketing strategy, plan to present in the next couple of months.
- Legislative update: Mr. Werner gave detailed updates on the National legislative and Statewide Airport Zoning Reform.
- Other: Mr. Werner updated on the State Aviation System Plan (SASP).

Questions and discussion followed on several of the Executive Director's review items. Dir. Mullen moved to approve the February 20th meeting minutes and other consent items. Dir. Tanski seconded. Motion carried.

#### CONSENT ITEMS

Cash Disbursement sheets #1, #2 and #3, 2018. Construction fund sheet #2, 2018.

DAA news release "United Airlines to Start Operating Daily Mainline Service Between Chicago and Duluth".

Notice letter from City Auditor to DAA requesting annual audit for year ending 2017 and letter from Office of State Auditor confirming understanding of services for annual audit for the year ending 2017.

News from Don Monaco, Commissioner for the Metropolitan Airports Commission (MAC).

Notice letter from Federal Express Corporation terminating the lease effective February 28, 2018.

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

Memo from SEH to DAA regarding Sky Harbor Airport – use of dredged material for Phase 2 surcharge.

Letter to Chairman Thue, Ranking Member Nelson, Chairman Blunt and Ranking Member Cantwell urging to adopt the proposal for small and medium sized communities helping young men and women become effectively trained commercial airline pilots.

Monthly construction project progress report for Runway 9/27 Reconstruction, Phase 1 Report #6, Runway 9/27 Reconstruction, Phase 2 Report #6, Airfield Perimeter Fence, Phase 1 Report #5, Airfield Perimeter Fence, Phase 2 Report #1, Runway 9/27 Obstruction Removal Report #1 and Sky Harbor Airport Runway Relocation, Phase 1 Report #6.

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

Ms. Bodin explained the boiler insurance amendment. Dir. Tanski moved to approve an amendment to the resolution authorizing an agreement to insure certain Duluth Airport Authority property and equipment under the City of Duluth's property insurance policy and further authorizing an amendment to said agreement to add boiler insurance to the coverage. Dir. Mullen seconded. Motion carried.

Dir. Mullen moved to approve a three percent base salary increase effective January 1, 2018 and a one-time incentive payment of \$4,400 for the DAA Executive Director. Dir. Tanski seconded. Motion carried.

Mr. Werner summarized on language changes to the DAA By-Laws and explained the importance of continuity of the Board with the past President's knowledge for major projects. Detailed discussion followed. Dir. Mullen moved to approve the DAA By-Law language changes. Dir. Tanski seconded. Motion carried.

Mr. Werner presented background discussions on two proposals for the Monaco Air Foundation support initiatives. Dir. Stewart reviewed on a proposal for an airport history interactive media center. Pres. Butler refreshed on last month's discussion for a business and service center and invited a Board discussion on the two initiatives. Discussion around the Board followed. Dir. Mullen moved to approve seeking funds from the Monaco Air Foundation to support a business and service center. Dir. Tanski seconded. Motion carried. Discussion followed on how to pursue the history interactive media center.

NEW BUSINESS

Mr. Werner reviewed the operator agreement and recommended approval. Dir. Mullen moved to approve the Sky Harbor operator agreement between the Duluth Airport Authority and Lake Country Air Service. Dir. Stewart seconded. Motion carried.

Mr. Peterson explained on the memorandum of agreement with the 148<sup>th</sup> and recommended approval. Dir. Tanski moved to approve the resolution for the memorandum of agreement (MOA) between the United States property and Fiscal office for MN, MN Air National Guard and National Guard Bureau, A4A and the Duluth Airport Authority regarding repair of Wing electrical distribution. Dir. Fellman seconded. Motion carried.

Mr. Peterson overviewed on the FAA MOA and recommended approval. Dir. Tanski moved to approve the resolution to approve the memorandum of agreement (MOA) between the Federal Aviation Administration (FAA) and the Duluth Airport Authority to provide a mobile glide slope (GS) facility to determine if the DLH Rwy. 27 GS can be relocated. Dir. Fellman seconded. Motion carried.

Dir. Mullen recommended the Board have a position on the taxiway width discussion. Questions followed, an updated discussion will happen in March. Pres. Butler explained the tour of the Lake Superior College Center for Advanced Aviation would begin after the adjournment of this meeting. Dir. Mullen moved to adjourn the meeting. Dir. Stewart seconded. Motion carried. Pres. Butler adjourned the February 20<sup>th</sup> DAA Board meeting at 9:35 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

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