



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: December 21, 2021

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

DIRECTORS PRESENT: Craig Fellman
Kim Maki
Jeff Anderson
Todd Fedora
Don McIsaac
Elissa Hansen
Kevin O'Brien

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
Mark Papko, Director of Operations
Natalie Peterson, Director of Communications & Marketing
Jana Kayser, Business Development Manager
Joelle Bodin, Finance & Administration Director
Kaci Nowicki, SEH
Shawn McMahan, SEH
Mike Magni, Monaco Air
Eric Monson, Lake Superior Helicopters
Makenzie Welch

OTHERS PARTICIPATING VIA ELECTRONICS
MEANS:

Kathy Leon, Confidential Bookkeeper
Scott Sannes, SEH
Allison Andrashko, SEH
Paul Huston, HNTB

President Fellman welcomed everyone to the DAA December Board meeting and called it to order at 8:00 a.m. He invited Mr. Tom Werner, Executive Director, to update on the Executive Director's review:

- Air Service: Mr. Werner presented the airport air service update noting November total passengers' year to date, load factors, seats, national and local air services news and updates; he overviewed key metrics statistics – air cargo, fuel sales, rental cars, parking lot and restaurant.
 - Operations and Maintenance: Mr. Mark Papko, Director of Operations, mentioned that

the new Public Safety Manager, Matt Snell, could not make this meeting, but is a welcomed addition and will be introduced next month. He recapped the weekend IROPS event -- MSP had a major snow event causing five evening diversions resulting in over 200 passengers spending the night in Duluth; he overviewed the situation and conveyed how proud he is with all the staff, tenants, and partners for working together for a positive outcome. Questions followed. Mr. Werner expressed his appreciation to Mr. Papko for addressing all the challenges, logistics, delegating roles and responsibilities – he did a tremendous job. Mr. Papko updated on the Federal Inspections Service (FIS) upgrades, waiting for guidance from the Customs Border Protection (CBP).

- Sky Harbor – Ms. Kaci Nowicki, SEH, reviewed the Sky Harbor master plan project progress, continued conversations with CBP regarding facility needs, next steps and guidance; hopefully in January will have more information.
- Business/Proper Development: Ms. Jana Kayser, Business Development Manager, summarized on the separate Landline ground handling with Sun Country Airlines services and bus operating agreement with DAA; hope to have these agreements for approval next month. She updated on Hangar #104 – have received the proposal, processing information and will update the board soon; questions and discussion followed.
- Financial Update: Ms. Joelle Bodin, Finance & Administration Director updated on the CRRSA and ARPA concessionaire relief; 2022 City Council budget presentation; starting a concessionaire audit program this year and explained the maintenance and operations agreement amendments; questions followed.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications and Marketing, overviewed and detailed on the Sun Country launch event; she expressed her appreciation to all who assisted with this very successful event. Questions and discussion followed; Mr. Werner detailed further.
- Legislative: Mr. Werner met with the congressional staff delegation, great discussion and support on the aging air traffic control tower and recently passed infrastructure package.

Pres. Fellman thanked the staff for their summary review. Dir. McIsaac moved to approve the November 16, 2021 meeting minutes and consent items. Dir. O'Brien seconded. Roll call, all ayes, motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #41, #42 and #43, 2021, Construction Fund Disbursement Sheet #12, 2021, and Operating ACH Payment Register #1, #2 and #3, 2021.

Airport news: ENR Midwest “Best Airport/Transit Duluth Sky Harbor”, DNT “Pilot Shortage Stalls Potential Duluth-to-Denver Flight Back to 2023”, “Duluth International Airport Celebrates New Sun Country Service with Pack Your Bag and Go Launch Event”.

Letter from Citizens Committee Environmental Concerns (CCEC) to DAA regarding lack of airport noise reduction by FAA 150 noise study.

Letter from DAA to Customs & Boarder Protection (CBP) regarding CBP general aviation

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facility at Duluth Sky Harbor Airport.

E-Mail from Monaco Air Foundation with summary of November 2021 Activities.

Part 150 study comments and responses.

Link for Metropolitan Airports Commission (MAC) Minutes -- <https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

August 2021 financial report, September 2021 accounts receivables, and airport statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

NEW BUSINESS

Ms. Bodin spoke on the grant amendment. Dir. Fedora moved to approve the resolution for amendment No. 2 to grant agreement 5542B between the Duluth Airport Authority and St. Louis County in support of the Small Community Air Service Development Grant Program (SCASD). Dir. Anderson seconded. Roll call – Dir. Maki abstained, the rest ayes. Motion carried.

Ms. Bodin explained the CFC use for reimbursement. Questions and discussion followed. Dir. Maki moved to approve the resolution to approve CFC use for reimbursement of all eligible terminal and parking structure construction and financing costs associated with rental car related activities per Exhibit A. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Ms. Bodin overviewed and detailed on the concessionaire relief plan steps. Dir. Anderson moved to approve the resolution for ARPA concessionaire relief associated with rent due for concession occupancy or commercial use after March 11, 2021 in the proportional amounts shown on Exhibit A subject to FAA approval. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Mr. Werner spoke on the master plan summary and comprehensive process. He thanked the SEH team for their thorough work with stakeholders' input, taking the DAA vision and making it a reality; he recommended approval. The Board members expressed their appreciation to the staff and SEH for their hard work on this detailed process. Dir. Maki moved to approve the resolution for the Vision 2040 Duluth International Airport Master Plan recommendations. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Mr. Papko reviewed the final design for Taxiway Alpha and recommended approval. Dir. McIsaac moved to approve the resolution for Work Order 2021-9 between the Duluth Airport

Authority and SEH, Inc. for Taxiway A Phase 2 -- final design (DLH). Dir. Hansen seconded. Roll call -- Dir. Anderson abstained, the rest. Motion carried.

Mr. Papko updated on the apron rehabilitation at Sky Harbor Airport; questions followed. Dir. Fedora moved to approve the resolution for Work Order 2021-10 between the Duluth Airport Authority and SEH, Inc. for apron rehabilitation – design (DYT). Dir. Maki seconded. Roll call -- Dir. Anderson abstained, the rest ayes. Motion carried.

Ms. Peterson explained the renewal lease agreement and recommended approval. Dir. Anderson moved to approve the resolution for the lease agreement between the Duluth Airport Authority and MediaUSA. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Ms. Kayser gave background information on the lease agreement and recommended approval. Dir. Fedora moved to approve the resolution for the terminal space lease agreement between the Duluth Airport Authority and Aeronautical Radio, Inc. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Mr. Werner explained the reimbursable agreement for a siting study and reviewed the process and timeline. Dir. Anderson moved to approve the resolution for a reimbursable agreement between the Duluth Airport Authority and the Federal Aviation Administration in the amount of \$569,849.04 for a siting study to determine possible locations of a future air traffic control tower at the Duluth International Airport. Questions followed. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Mr. Werner spoke on the recent Irregular Operations (IROPs) event and expressed his appreciation for the tremendous job performed by Mr. Papko. His decisive decisions during this complex situation, coordination across multiple agencies, delegations of roles and tasks resulted in a very positive outcome; he strongly recommended approval for the incentive award. Dir. Fedora moved to approve the resolution for an employee incentive award to Mark Papko in the amount of \$1,000 pursuant to the Duluth Airport Authority's Operating Policy #5. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Pres. Fellman stated at 9:15 a.m. this portion of the meeting would be closed to the public pursuant to Minnesota Statutes 13D.05 sub. 3(a) to evaluate the performance of the Executive Director, Mr. Tom Werner. The meeting will reopen to the public at the time announced upon completion of the evaluation. Members of the public will need to log out or be removed during the closed meeting and will need to log back into the meeting when it reopens to the public.

At 10:20 a.m., Pres. Fellman reopened the regular meeting to the public pursuant to Minnesota Statutes Chapter 13D. He summarized on the Executive Director's performance evaluation for 2021 and expressed the Board's extreme satisfaction with Mr. Werner's exceptional leadership with his team and the culture that has been developed dealing with the all the challenges,

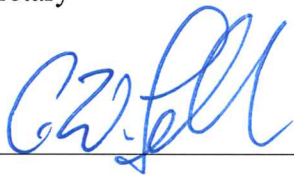
completion of the Master Plan and other positives this past year. The Board acknowledged his entire team and organization for their hard work. Based on the evaluation for Mr. Werner and recognizing his accomplishments, the Board recommends a one-time incentive payment of \$10,000 and a salary increase of seven percent. Dir. Maki moved to approve the resolution authorizing a one-time incentive payment of \$10,000 and a salary increase of seven percent to Executive Director Thomas J. Werner pursuant to the employment contract. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Dir. Hansen moved to approve the resolution for the Executive Director’s 2022 work plan. Dir. O’Brien seconded. Roll call – all ayes. Motion carried.

President Fellman adjourned the December 21st DAA board meeting at 10:23 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  _____

DATE: 1-18-22