



**DULUTH AIRPORT AUTHORITY  
MEETING AGENDA  
JANUARY 19, 2021**

**DAA JANUARY BOARD MEETING PARTICIPATION  
BY TELEPHONE OR OTHER ELECTRONIC MEANS  
PURSUANT TO MINNESOTA STATUTES SECTION 13D.021**

Click below to access meeting:

<https://duluthairport.com/wp-content/uploads/2021/01/1-DAA-January-Board-Notice.pdf>

**AMATUZIO CONFERENCE ROOM  
DULUTH INTERNATIONAL AIRPORT**

**I \*EXECUTIVE DIRECTORS REVIEW**

Information Letter to DAA Directors.

**II \*APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS**

A. Approval of December 15, 2020 Meeting Minutes.

**III \*DAA CASH DISBURSEMENTS**

A. Cash Disbursement Sheets #29, #30, #30A, #31 and #32, 2020. Construction Fund Sheets #13 and #14.

**IV \*CORRESPONDENCE**

- A. December 17, 2020 Aviation Coalition Letter to Governor Tim Walz Regarding Vaccine Prioritization; December 28, 2020 MN Letters from Local Air Service Action Committee (LASAC) and Delta Airlines to MN Vaccine Allocation Advisory Group Regarding Request of Immunization Priority 1B Aviation Frontline Workers.
- B. January 1, 2021 E-Mail from Monaco Air Foundation with Summary of December 2020 Activities.
- C. January 8, 2021 Letter From DAA to MN Department of Natural Resources Regarding Sky Harbor Public Water Permit and Land Sale Transaction.
- D. January 12, 2021 AAAE Regulatory Alert "FAA Release Summary of Aircraft Noise Annoyance Study Results".
- E. 2021 Club DLH Business Suite Renewals.
- F. Link for Metropolitan Airports Commission (MAC) Minutes -- <https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.



**V OPPORTUNITY FOR PERSONS TO BE HEARD**

**VI OLD BUSINESS**

None

**VII NEW BUSINESS**

- A. Resolution to Approve the Sky Harbor Operating Agreement Between the Duluth Airport Authority and Jonathan Messerer.
- B. Resolution to Approve Work Order #9 – Taxiway A Reconstruction Phase 1 Final Design between the Duluth Airport Authority and Short Elliot Hendrickson, Inc., (SEH, Inc).
- C. Resolution to Approve Invoice and Contract for the Replacement of Three (3) Terminal Boilers, Chemical Filtration, System Clean-up and Analytical Testing between the Duluth Airport Authority and The Jamar Company
- D. Resolution to approve IT Managed Service Bundle Agreement between the Duluth Airport Authority and The Citon Computer Corporation.
- E. \*November 2020 Financial Reports.
- F. \*December 2020 Accounts Receivables.
- G. \*December 2020 Airline Statistics.

**VIII DIRECTORS REPORTS**

*Items annotated by an (\*) are approved by consent and require no discussion or action unless questioned by a Director (In accordance with resolution passed by Directors at March 19, 2002).*



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DAA Board Meeting  
January 19, 2021

**RESOLUTION TO ADD IN:**

**VII NEW BUSINESS**

- H. Resolution to Approve Amendment No. 1 to Grant Agreement 5542B Between the Duluth Airport Authority and St. Louis County to increase initial pledge of \$50,000 to \$75,000 in Support of the Small Community Air Service Development Grant Program (SCASD).



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## *EXECUTIVE DIRECTORS REVIEW*





# DULUTH INTERNATIONAL AIRPORT

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**DATE:** January 19, 2021  
**TO:** DAA Directors  
**FROM:** Executive Director  
**SUBJECT:** EXECUTIVE DIRECTORS REVIEW

The following items will be briefed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

## AIR SERVICE

- 52.6% Yearend Total Passengers
- 66.1% December Passengers YOY
- 50% Decrease DL Yearend Total Passengers
- 56.1% December DL Passengers YOY
- 62.2% Decrease UA Yearend Total Passengers
- 67.1% December UA Passengers YOY
- Landline Passengers in December
- SCASD Grant Update
- Key Activity Metrics
- Jeff Davidman, Governmental Affairs, Delta Airlines

## OPERATIONS/CONSTRUCTION/PLANNING

- Planning
  - Master Plan Update
  - Part 150 Noise Study Update
- Operations
  - Entitlement Transfer
- Airside
  - SRE Equipment Update
- Landside
  - Terminal Roof Update
- Sky Harbor
  - Building Area Master Plan Update

## BUSINESS/PROPERTY DEVELOPMENT

- COVID-19 Related Financial Relief to Tenants Update

## FINANCIAL UPDATE

- NSR

### **MARKETING UPDATE**

- Club Pass Renewals and Corporate Parking Retention

### **LEGISLATIVE UPDATE**

- CARES Act 2.0

### **PRESENTATIONS/TOURS/TRAVEL RECAP**

- AAAE Young Professionals Presentation

### **OTHER**

- Joint Zoning Board Update

Submitted by,

Thomas J. Werner, C.M.  
Executive Director



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## *MINUTES*



# DULUTH INTERNATIONAL AIRPORT

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**DRAFT**

## MINUTES OF THE MEETING

DATE: December 15, 2020

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

DIRECTORS PRESENT: Anna Tanski  
Craig Fellman

DIRECTORS PARTICIPATING  
VIA ELECTRONICS

MEANS: Kim Maki  
Todd Fedora  
Don McIsaac  
Jeff Anderson  
Elissa Hansen

OTHERS PRESENT: Tom Werner, Executive Director  
Mary Ann Wittkop, Recording Secretary  
Natalie Peterson, Director of Communications & Marketing  
Jana Kayser, Business Development Manager  
Joelle Bodin, Director of Finance & Administration

OTHERS PARTICIPATING  
VIA ELECTRONICS

MEANS: Steve Hanke, Assistant City Attorney  
Kathy Leon, Confidential Bookkeeper  
Kaci Nowicki, SEH  
Shawn McMahon, SEH  
Matt Stewart, SEH  
Mike Magni, Monaco  
Don Monaco, Monaco  
Eric Monson, Lake Superior Helicopter  
Paul Huston

President Tanski welcomed everyone to the DAA December Board meeting and called the meeting to order at 8:00 a.m. She performed the roll call noting herself and Dir. Fellman as present; Dir. Maki, Dir. McIsaac, Dir. Anderson and Dir. Hansen participating virtually; Dir. Fedora would be joining virtually in twenty minutes. Mr. Tom Werner, Executive Director, updated on the Executive Director review:

### EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: 50% decrease in total passengers, 65% decrease in passengers compared

to last November; Delta total passengers decreased 49%, and 60% decrease in November passengers year over year; United decreased 62%, November passenger's year over year decreased 57% and there were just over 635 Landline passengers for the month of November. Small Community Air Service grant (SCASD) – actively updating application to begin a Denver route that is due at the end of January, feel it is a very strong application.

- Operations:
  - ◆ Planning -- Master Plan (MP) and Part 150 Noise Study: Ms. Kaci Nowicki, SEH, updated on the recent activities, MP next steps and meetings --- all posted on the website; Part 150 noise study update -- reviewed the project progress and next steps.

Dir. Fedora joined the meeting at 8:15 a.m.

- ◆ Operations: Mr. Mark Papko, Director of Operations, updated on the IT RFQ progress, have initiated contract negotiations and contract should be ready for approval next month; he thanked Dir. Anderson for being part of the selection process.
- ◆ Landside: Mr. Papko reviewed the terminal roof meeting – drafting vision and solution for the best-case scenario for the roof. Other -- Joint Airport Zoning Board (JAZB) has submitted the first draft of the proposed zoning ordinance for the DLH to MnDOT; waiting for comments and response.
- ◆ Sky Harbor: Mr. Matt Stewart, SEH, updated on the Sky Harbor master plan project – spoke on progress, upcoming meetings, and next steps.
- Business/Property Development: Ms. Jana Kayser, Business Development Manager, briefed on the COVID-19 related financial relief; continue to track the next round of financial relief.
- Financials: Ms. Joelle Bodin, Director of Finance & Administration, spoke on the City Council budget presentation, went very well.
- Legislative: Mr. Werner overviewed on the possible government shutdown and detailed on the breakdown for the next CARES Act.
- Other: Mr. Mike Magni, Monaco Air, presented on their recovery trajectory for 2021 detailing on the challenges of COVID, safety for employees and customers, aviation sectors reactions, financial impacts, and the slow recovery process. He spoke on the industry forecasts and Monaco Air's priorities for 2021. Dir. McIsaac commended Monaco Air on their response and steps toward protecting customers; Mr. Werner thanked him for their partnership over the years. Mr. Magni expressed his appreciation for the opportunity to speak to the Board.

Questions and discussion followed on several of the Executive Director's review items. Chair Tanski noted Dir. Fedora has joined the meeting and will be included in the roll call vote. Dir. McIsaac moved to approve the November 17, 2020 meeting minutes and consent

Items. Dir. Fellman seconded. Roll call -- all ayes, motion carried.

#### CONSENT ITEMS

Cash Disbursement Sheets #25, #26, #27, and #28, 2020, Construction fund sheet #12, 2020.

Star Tribune news article "Duluth Airport Refused to Host Pence Event After Trump Rally Flouted Safety Rules".

E-Mail from Monaco Air Foundation with summary of November 2020 activities.

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. Natalie Peterson, Director of Communications & Marketing, overviewed the renewal sponsorship agreement. Dir. Maki moved to approve the resolution for the renewal sponsorship agreement between the Duluth Airport Authority and St. Luke's Hospital of Duluth. Dir. Fedora seconded. Roll call – all ayes. Motion carried.

#### NEW BUSINESS

Mr. Papko reviewed the AWOS system at the Sky Harbor Airport. Dir. Fedora moved to approve the resolution to award Neo Electrical Solutions the contract for the 2020 DYT Automated Weather Observation System (AWOS). Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Mr. Papko briefed on the janitorial contract and expressed DAA's satisfaction with their performance, he recommended approval. Dir. McIsaac moved to approve the resolution to execute one-year option of Marsden's Janitorial Service contract at a rate of \$16,068 monthly (3% increase YOY). Dir. Maki seconded. Roll call – all ayes. Motion carried.

Pres. Tanski stated at 8:48 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 between 9:10 or 9:20 a.m.



At 9:15 a.m., Pres. Tanski reopened the regular meeting to the public pursuant to Minnesota Statutes Chapter 13D. She summarized on the Executive Director's performance evaluation for 2020 and expressed the Board's extreme satisfaction with Mr. Werner's tremendous leadership during this challenging year and acknowledging his entire team and organization for their hard work. Based on the evaluation for Mr. Werner and recognizing his accomplishments, she moved to Item F -- the Board recommends a one-time incentive payment of \$8,000. Dir. Fedora moved to approve the resolution authorizing a one-time incentive payment of \$8,000 to Executive Director Thomas J. Werner pursuant to the employment contract. Dir. Anderson seconded. Pres. Tanski noted Dir. McIsaac had left the meeting and would not be voting but had expressed his support during the conversation. Roll call -- all ayes. Motion carried.

Dir. Fellman moved to approve the resolution for the Executive Director's 2021 work plan. Dir. Maki seconded. Roll call -- all ayes. Motion carried.

President Tanski amended the ending date for the next resolution to December 31, 2025. Dir. Fellman moved to approve the resolution for the five-year (January 1, 2021 -- December 31, 2025) Executive Director employment agreement with Mr. Thomas J. Werner. Dir. Hansen seconded. Roll call -- all ayes. Motion carried.

Dir. Maki moved to adjourn the meeting. Dir. Fellman seconded. Roll call -- all ayes, motion carried. President Tanski adjourned the December 15<sup>th</sup> DAA board meeting at 9:19 a.m.

Respectfully submitted,

Mary Ann Wittkop  
Recording Secretary

APPROVED:  DATE: 13 JAN 21



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## *CASH DISBURSEMENTS*



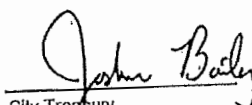
III

**Duluth Airport Authority  
DAA Operating Check Register #29-2020  
December 10, 2020**

**Document Number From 9562 To 9593**

Document #	Date	Transaction Type	Payee	Amount
9562	12/10/2020	BILLPMT	ADB SAFEGATE	\$1,619.92
9563	12/10/2020	BILLPMT	American Association Of Airport Executives	\$100.00
9564	12/10/2020	BILLPMT	Aramark	\$156.84
9565	12/10/2020	BILLPMT	Century Link	\$144.00
9566	12/10/2020	BILLPMT	City Of Duluth Comfort Systems	\$11,678.47
9567	12/10/2020	BILLPMT	Como Lube & Supplies	\$165.00
9568	12/10/2020	BILLPMT	Compudyne, Inc.	\$2,737.10
9569	12/10/2020	BILLPMT	Cossalter, Wade	\$129.99
9570	12/10/2020	BILLPMT	Cragin Machine Shop	\$8,876.00
9571	12/10/2020	BILLPMT	Dalco	\$142.14
9572	12/10/2020	BILLPMT	Forklifts of Minnesota	\$493.95
9573	12/10/2020	BILLPMT	General Security Services Corporation	\$20,414.85
9574	12/10/2020	BILLPMT	Grainger	\$244.92
9575	12/10/2020	BILLPMT	Hermantown Hydraulics, LLC	\$495.09
9576	12/10/2020	BILLPMT	Herstad, Aaron	\$118.65
9577	12/10/2020	BILLPMT	Kayser, Jana M	\$143.77
9578	12/10/2020	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
9579	12/10/2020	BILLPMT	MacQueen Equipment, Inc.	\$1,436.11
9580	12/10/2020	BILLPMT	Marsden Building Maintenance	\$15,600.00
9581	12/10/2020	BILLPMT	Menards	\$12.26
9582	12/10/2020	BILLPMT	Minnesota Power	\$26,540.23
9583	12/10/2020	BILLPMT	MN Dept of Labor and Industry	\$700.00
9584	12/10/2020	BILLPMT	NAPA Auto Parts	\$3,975.44
9585	12/10/2020	BILLPMT	Northern Business Products, Inc.	\$6.63
9586	12/10/2020	BILLPMT	Northern States Supply, Inc.	\$83.01
9587	12/10/2020	BILLPMT	Sam's Club	\$231.25
9588	12/10/2020	BILLPMT	Schindler Elevator Corp	\$1,265.81
9589	12/10/2020	BILLPMT	Shel/Don Group Inc.	\$150.27
9590	12/10/2020	BILLPMT	Thanks Again, LLC	\$14.44
9591	12/10/2020	BILLPMT	Twin Ports Aerial	\$511.36
9592	12/10/2020	BILLPMT	Wabrowetz, Steve	\$41.02
9593	12/10/2020	BILLPMT	Waste Management of WI-MN	\$6,585.33
				<b>\$106,813.85</b>
VOID Check #9484 Amazon				\$ (265.52)
VOID Check #9284 Fed Ex				\$ (182.50)
<b>Total</b>				<b>\$106,365.83</b>

  
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Airport Director

  
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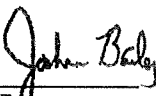
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**Duluth Airport Authority**  
**DAA Operating Check Register #30-2020**  
**December 17, 2020**

**Document Number From 9594 To 9627**

Document #	Date	Transaction Type	Payee	Amount
9594	12/17/2020	BILLPMT	Aramark	\$59.95
9595	12/17/2020	BILLPMT	Arrowhead Tap House	\$72.68
9596	12/17/2020	BILLPMT	Bodin, Joelle	\$60.00
9597	12/17/2020	BILLPMT	CDW Government	\$854.48
9598	12/17/2020	BILLPMT	Century Link	\$190.88
9599	12/17/2020	BILLPMT	City Of Duluth Comfort Systems	\$12,622.58
9600	12/17/2020	BILLPMT	Compudyne, Inc.	\$1,350.00
9601	12/17/2020	BILLPMT	DVS Renewal	\$23.25
9602	12/17/2020	BILLPMT	Engelmeier, Roger	\$36.99
9603	12/17/2020	BILLPMT	Essentia Health	\$1,279.00
9604	12/17/2020	BILLPMT	Goodin Company	\$701.00
9605	12/17/2020	BILLPMT	Grainger	\$219.96
9606	12/17/2020	BILLPMT	Grand Rapids Area Chamber of Commerce	\$826.00
9607	12/17/2020	BILLPMT	Hermantown Hydraulics, LLC	\$277.80
9608	12/17/2020	BILLPMT	Jamar Company	\$7,675.00
9609	12/17/2020	BILLPMT	Kayser, Jana	\$60.00
9610	12/17/2020	BILLPMT	Kraemer Construction, Inc.	\$133.00
9611	12/17/2020	BILLPMT	LBC, Inc.	\$480.00
9612	12/17/2020	BILLPMT	Leon, Kathy	\$60.00
9613	12/17/2020	BILLPMT	Lyons, Kevin	\$60.00
9614	12/17/2020	BILLPMT	Menards	\$282.35
9615	12/17/2020	BILLPMT	Menards	\$493.35
9616	12/17/2020	BILLPMT	Metro Sales, Inc.	\$29.87
9617	12/17/2020	BILLPMT	MN Dept of Empl & Econ. Development	\$2,222.22
9618	12/17/2020	BILLPMT	Northern Engine & Supply	\$13.45
9619	12/17/2020	BILLPMT	Northern States Supply, Inc.	\$365.88
9620	12/17/2020	BILLPMT	Northern Tool & Equipment	\$129.96
9621	12/17/2020	BILLPMT	Orrey, John	\$158.24
9622	12/17/2020	BILLPMT	Papko, Mark	\$60.00
9623	12/17/2020	BILLPMT	Peterson, Natalie	\$60.00
9624	12/17/2020	BILLPMT	Pomp's Tire Service, Inc.	\$404.50
9625	12/17/2020	BILLPMT	Republic Parking System, LLC	\$1,100.00
9626	12/17/2020	BILLPMT	Sinnott, Paul	\$60.00
9627	12/17/2020	BILLPMT	Smith, Troy R	\$60.00
				<u>\$32,482.39</u>
VOID Check #9543				<u>\$ (190.00)</u>
<b>Total</b>				<u><b>\$32,292.39</b></u>

Airport Director

  
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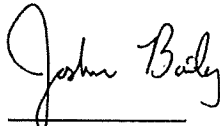
**Duluth Airport Authority**  
**DAA Operating Check Register #30A-2020**  
**December 17, 2020**

**Document Number From 9628 To 9638**

Document #	Date	Transaction Type	Payee	Amount
9628	12/17/2020	BILLPMT	Spectrum Business	\$142.52
9629	12/17/2020	BILLPMT	State Supply	\$176.11
9630	12/17/2020	BILLPMT	Summit Fire Protection	\$190.00
9631	12/17/2020	BILLPMT	Sunbelt Rentals	\$502.50
9632	12/17/2020	BILLPMT	Taylor, Dan	\$310.00
9633	12/17/2020	BILLPMT	Timm, Kenneth	\$175.00
9634	12/17/2020	BILLPMT	Wabrowetz, Steve	\$60.00
9635	12/17/2020	BILLPMT	Werner, Thomas	\$60.00
9636	12/17/2020	BILLPMT	Wittkop, Mary Ann	\$13.23
9637	12/17/2020	BILLPMT	Wittkop, Mary Ann	\$60.00
9638	12/17/2020	BILLPMT	Ziegler, Inc.	\$1,726.78
<b>Total</b>				<b><u>\$3,416.14</u></b>

  
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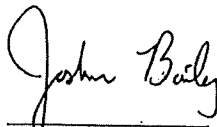
  
City Treasury

**Duluth Airport Authority**  
**DAA Operating Check Register #31-2020**  
**December 22, 2020**

**Document Number From 9642 To 9659**

Document #	Date	Transaction Type	Payee	Amount
9642	12/22/2020	BILLPMT	Airgas North Central	\$303.85
9643	12/22/2020	BILLPMT	Aramark	\$237.79
9644	12/22/2020	CHK	Barnum Companies, Inc.	\$2,072.00
9645	12/22/2020	BILLPMT	Blueglobes LLC	\$1,551.48
9646	12/22/2020	BILLPMT	CDW Government	\$318.31
9647	12/22/2020	BILLPMT	Como Lube & Supplies	\$2,219.20
9648	12/22/2020	BILLPMT	Compudyne, Inc.	\$13,666.68
9649	12/22/2020	BILLPMT	Cooke, David	\$129.99
9650	12/22/2020	BILLPMT	Curtis Oil & Propane	\$461.39
9651	12/22/2020	BILLPMT	IFIDS.com Inc.	\$6,172.34
9652	12/22/2020	BILLPMT	Inter City Oil (ICO)	\$14,276.41
9653	12/22/2020	BILLPMT	Jamar Company	\$1,004.34
9654	12/22/2020	BILLPMT	Lumacurve Airfield Signs	\$2,664.00
9655	12/22/2020	BILLPMT	Metro Sales, Inc.	\$342.41
9656	12/22/2020	BILLPMT	Northern Tool & Equipment	\$1.47
9657	12/22/2020	BILLPMT	Parsons	\$824.00
9658	12/22/2020	CHK	WF Bus Payment Processing - Joelle	\$3,176.74
9659	12/22/2020	CHK	WF Bus Payment Processing - Tom	\$206.16
<b>Total</b>				<b>\$49,628.56</b>

  
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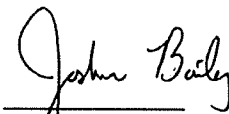
**Duluth Airport Authority**  
**DAA Operating Check Register #32-2020**  
**December 30, 2020**

**Document Number From 9660 To 9674**

Document #	Date	Transaction Type	Payee	Amount
9660	12/30/2020	BILLPMT	Aramark	\$96.41
9661	12/30/2020	BILLPMT	Best Oil Company	\$2,936.10
9662	12/30/2020	BILLPMT	Compudyne, Inc.	\$4,800.00
9663	12/30/2020	BILLPMT	Dalco	\$793.24
9664	12/30/2020	BILLPMT	Duluth Lawn & Sport	\$48,168.79
9665	12/30/2020	BILLPMT	Goodin Company	\$332.84
9666	12/30/2020	BILLPMT	Grainger	\$661.44
9667	12/30/2020	BILLPMT	Jamar Company	\$786.00
9668	12/30/2020	BILLPMT	Menards - Hermantown	\$21.92
9669	12/30/2020	BILLPMT	NAPA Auto Parts	\$27.70
9670	12/30/2020	BILLPMT	Schindler Elevator Corp	\$1,265.81
9671	12/30/2020	BILLPMT	United States Postal Service	\$300.00
9672	12/30/2020	BILLPMT	University of Minnesota	\$3,250.00
9673	12/30/2020	BILLPMT	Viking Electric Supply	\$32.48
9674	12/30/2020	BILLPMT	Ziegler, Inc.	\$390.77
				<u>\$63,863.50</u>
VOID Ck #9567				\$ (165.00)
<b>Total</b>				<u><b>\$63,698.50</b></u>

  
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 Airport Director

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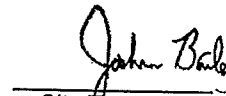
  
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**Duluth Airport Authority**  
**DAA Construction Check Register #14-2020**  
**December 22, 2020**

**Document Number From 9639 To 9641**

Document N	Date	Transaction Type	Payee	Amount
9639	12/22/2020	BILLPMT	1 A.W. Kuettel & Son's, Inc.	\$10,030.10
9640	12/22/2020	BILLPMT	1 MediaUSA Adverising Inc	\$500.00
9641	12/22/2020	BILLPMT	1 Swim Creative	\$2,924.22
<b>Total</b>				<b>\$13,454.32</b>

  
Airport Director

  
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## *CORRESPONDENCE*

IV A



Airlines for America



December 17, 2020

The Honorable Tim Walz  
Governor of Minnesota  
75 Rev Dr Martin Luther King Jr Blvd., #130  
St. Paul, MN 55155

Dear Governor Walz:

We are writing to you as employees and employers who work to provide safe and efficient air transportation for our nation and the world. We appreciate the critical work you are doing to ensure that the vaccine allocation is made based on science, implementation realities, and equity.

As you are aware, the Cybersecurity and Infrastructure Security Agency (CISA), a component of the Department of Homeland Security (DHS), has designated aviation workers as essential to maintaining our nation's critical infrastructure. CISA has recommended that essential workers be given priority access to personal protective equipment (PPE), testing and vaccines due to their role in providing help to ensure that the critical social and economic needs of our country are met.

Aviation workers are frontline workers who either encounter the traveling public frequently or are required to perform our work in close proximity to our colleagues and perform our jobs onsite. While our employers have implemented multiple layers of protection for the well-being of the traveling public and employees, the very nature of these jobs exposes the aviation workforce to risk like other frontline workers. Nevertheless, since the onset of the COVID-19 pandemic, we have worked tirelessly to deliver much needed medical supplies, personnel, and PPE to communities and people in need.

At the national level, commercial aviation is a critical part of our nation's economy accounting for 5% of total GDP and over 10 million jobs. Every U.S. airline job helps support an additional nine U.S. jobs outside of the industry. Moving our physical economy is our business which is even more important today with the need to get our nation's economy back on its feet and our role in ensuring that the emerging vaccine distribution effort is safe and reliable.



Commercial aviation is an important asset for Minnesota and accounts for nearly four percent of the state's total jobs and \$4.9 billion in annual payroll. Passenger and cargo air service provide a vital link that connects local communities and major employers such as 3M, United Healthcare, the Mayo Clinic and Target, with their partners throughout the country and cities abroad. Our frontline workers, in particular, are poised to play a crucial role in helping our country win the battle against COVID-19 while assisting in the ongoing economic recovery.

As our country eagerly looks towards widespread distribution of lifesaving vaccines, aviation workers are once again playing a key role. The vaccine distribution effort is complex and involves extensive collaboration between federal and state governments along with private companies. To succeed, the U.S. will need every asset available to perform optimally — including the frontline workers that keep our nation's safe and efficient air transportation and supply chain systems operational.

Given the scientific, implementation and equity considerations, we ask that you prioritize aviation frontline workers for allocation of the vaccine in your upcoming implementation plan.

Air transportation will be essential to fight back against the virus and return to normal, even if it is a new normal. As crewmembers, machinists, air traffic controllers, customer service representatives, airport workers, and recognizing other government frontline partners in the FAA, TSA, and CBP, we stand ready to carry the vaccines, medical supplies and healthcare professionals that will help our nation defeat this virus, giving us hope for a healthy future and full economic recovery.

Sincerely,

*Air Line Pilots Association, International*  
*Airline Catering Association*  
*Airlines for America*  
*Airline Passenger Experience Association-International Flight Services Association*  
*Airport Services Association*  
*Airports Council International – North America*  
*Allied Pilots Association*  
*American Association of Airport Executives*  
*Association of Flight Attendants – CWA*  
*Association of Professional Flight Attendants*  
*Cargo Airline Association*  
*Coalition of Airline Pilots Associations*  
*Independent Pilots Association*  
*International Association of Machinists and Aerospace Workers*  
*National Air Carrier Association*  
*National Air Traffic Controllers Association*  
*NetJets Association of Shared Aircraft Pilots*  
*Regional Airline Association*  
*Southwest Airlines Pilots Association*  
*Transport Workers Union*  
*TWU Local 556*

# MINNESOTA'S LOCAL AIR SERVICE ACTION COMMITTEE

*Committed to growing air service throughout Minnesota*

December 28, 2020

Minnesota Department of Health  
Vaccine Allocation Advisory Group  
c/o Jan Malcolm, Commissioner  
Minnesota Department of Health  
625 Robert Street N  
St. Paul, MN 55155-2538

## **Re: Request Immunization Priority 1B for Aviation Frontline Workers**

To Whom It May Concern,

Minnesota's Local Air Service Action Committee (LASAC) represents all 9 commercial service airports in the State (Brainerd, Bemidji, Duluth, International Falls, Hibbing, Minneapolis, Rochester, St Cloud and Thief River Falls) . Air service provides a global connection for passengers and cargo to all regions of Minnesota in communities as small as Thief River Falls or as large as the Twin Cities Metro. Since the beginning of the pandemic, Minnesota's commercial service airports have maintained safe and secure critical aviation infrastructure so that air commerce can continue unimpeded. Runways cannot be maintained from home. Passengers cannot be screened remotely and air cargo cannot be processed without frontline aviation workers performing indispensable duties at the airport. It's for this reason that we urge you to include frontline airport workers, such as those who work for airlines, air traffic controllers, airfield maintenance and fire fighters, TSA screeners and other essential airport workers in Phase 1b of COVID-19 vaccinations.

Airport employees are in contact with people from across the country and around the globe on a frequent basis, increasing the potential for airport employees to contract or spread COVID-19. While Minnesota's airports have done everything they can to maintain continuity of operations, mass-spread of COVID-19 remains a very real threat that could paralyze an airport's operation to the extent that it would close until minimum staffing could be restored. This could cripple air commerce for an entire region of the State.

We are happy to provide additional thoughts on how to administer this new policy. Let us know how we can assist. Thank you in advance for your consideration.

Sincerely,

*Tom Werner*

Tom Werner, C.M.  
LASAC Chair

cc: MNDOT Aeronautics



**Jeff Davidman**  
Vice President  
State and Local  
Government Affairs

**Delta Air Lines, Inc.**  
Law Department 974  
Post Office Box 20574  
Atlanta, GA 30320-2574  
T. 404 714 2846  
jeff.davidman@delta.com

December 28, 2020

Minnesota Department of Health  
Vaccine Allocation Advisory Group  
c/o Jan Malcolm, Commissioner  
Minnesota Department of Health  
625 Robert Street N  
St. Paul, MN 55155-2538

Dear Members of the Minnesota Department of Health Vaccine Allocation Advisory Committee:

Thank you for the work that the Minnesota Department of Health Vaccine Allocation Advisory Committee is doing to ensure the thoughtful and strategic distribution of the Covid-19 Vaccine throughout Minnesota. The CDC Advisory Committee on Immunization Practices ("ACIP") recently recommended that frontline essential employees should be included in Phase 1b of states' distribution plans. Aviation frontline employees have been deemed essential employees throughout the Covid pandemic and therefore we respectfully request that this critical workgroup be included in Minnesota's Phase 1b of the vaccine distribution.

The U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency ("CISA") has designated aviation workers as essential since the beginning of the pandemic in its document entitled "*Advisory Memorandum Ensuring Essential Infrastructure Workers' Ability to Work During the Covid-19 Response*." Governor Walz also has identified frontline aviation workers in Minnesota as essential employees in Executive Orders 20-20 and 20-48 that have been issued during the pandemic.

Aviation workers who work at airports and on the aircrafts are frontline essential workers. Their jobs cannot be performed remotely, they have close quarters interaction with co-workers due to the unalterable nature of the work environment and critical functions performed, and they interact frequently with the public daily. Examples of these employees would include, but not be limited to, pilots, flight attendants, airport customer service workers, mechanics, reservation agents, airport employees, TSA agents, Air Traffic Controllers and other employees who work at the airport every day to ensure both Minnesota and the Nation's aviation systems can continue to operate safely and efficiently.

Since aviation frontline essential workers are at the airport and on the aircraft interacting with passengers, these employees are encountering tens of thousands members of the public in Minnesota from all over the country (and the world) every day. This is true at Minneapolis/St. Paul International Airport ("MSP") as well as the eight other regional commercial service airports throughout Minnesota.

Commercial aviation is an important asset for Minnesota and accounts for nearly four percent of the state's total jobs. Aviation frontline employees have been working every day since the pandemic started so that other critical and essential employees, PPP equipment and Covid testing materials are able to be transported around the country to where they have been needed most. Today, it is once again aviation frontline workers who are transporting the Covid vaccine around the country to ensure states can successfully implement their vaccine distribution plans.

December 28, 2020  
Page 2 of 2

We are thankful for the work that the Minnesota Department of Health Vaccine Allocation Advisory Committee is doing on behalf of the people of Minnesota. We greatly appreciate your consideration of including aviation frontline essential employees to be included in Phase 1b of Minnesota's vaccine distribution plan. If you have any questions or need additional information, please let me know.

Sincerely,



Jeff Davidman

IVB

Mary Ann Wittkop

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**From:** Don Monaco <donm@monacoairduluth.com>  
**Sent:** Friday, January 1, 2021 7:29 AM  
**To:** Tom Werner; 'Anna Tanski (anna@visitduluth.com)'  
**Cc:** 'Dave Gaddie (dgaddie@bell.bank)'; 'Greg Fox (gregandsheilafox@hotmail.com)'; 'Bill King (BKing@cirrusaircraft.com)'; Michael A. Magni; 'Pat Mullen (runtrailfree@gmail.com)'; 'Richard Stewart (RStewart@uwsuper.edu)'; 'Fedora, Todd P'; 'Steve Overom (soverom@overomlaw.com)'; Mary Ann Wittkop  
**Subject:** December, 2020 Monaco Air Foundation Report

**Follow Up Flag:** FollowUp  
**Flag Status:** Flagged

Tom and Anna,

Please share this report with the Duluth Airport Authority Board at its next regularly scheduled meeting.

Summary of December, 2020 Activities

**Airport Tour Program:** The Foundation continues to offer Duluth International Airport tours to groups of high school students and to other groups upon request. Tours have been suspended during the COVID-19 pandemic and will resume after groups begin requesting tours and procedures for safe conduct are in place.

**Other Initiatives:** The Foundation welcomes additional requests from the Duluth Airport Authority Board for initiatives the Board would like the Foundation to pursue.

Please let me know if you have any questions about this month's report.

Respectfully submitted,

**Don Monaco**

*President*

*Monaco Air Foundation, Inc.*

*4535 Airport Approach Road*

*Duluth, MN 55811*

*Phone: 218-727-2911*

*Mobile: 630-728-5571*

*Fax: 218-336-0001*

[donm@monacoairduluth.com](mailto:donm@monacoairduluth.com)

[www.monacoairduluth.com](http://www.monacoairduluth.com)





**DULUTH INTERNATIONAL AIRPORT**

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January 8, 2021

Molly Roske  
Minnesota Department of Natural Resources  
500 Lafayette Rd  
St. Paul, MN 55155

RE: Sky Harbor Public Water Permit and Land Sale Transaction

Dear Ms. Roske,

The purpose of this letter is to outline Duluth Airport Authority's (DAA) position regarding mitigation activities required pursuant to the DNR Public Water Work Permit issued for the runway relocation project at Sky Harbor Airport (DYT) in Duluth. DNR staff asserts that DAA must sell real estate parcels to the DNR pursuant to Public Water Work Permit (2016-2240). This is inconsistent with permit documents and DAA's understanding of the approved mitigation package. For your reference, this letter briefly summarizes the history of permitting and proposed land sale below.

Nevertheless, DAA is working in good faith towards the sale of the land to DNR for fair market value. This includes pursuing legislation to allow the transaction. However, the land sale is not a condition of either the DNR or US Army Corps of Engineers (USACE) permits and is therefore a separate consideration from the ongoing mitigation activities and permit compliance.

#### **Permit History**

The DYT runway relocation project was developed over 13+ years of extensive planning, environmental review, and permitting. The DAA and MnDOT originally identified obstructions, including ecologically important old growth pine trees, to the existing runway's approach surface. Project partners evaluated options and eventually selected the runway relocation project as the best alternative to protect the old growth forest and provide a safe runway approach surface. This relocation involved seven (7) acres of fill into Superior Bay to create new land for the runway.

The aquatic resource impact required state and federal permits, and a condition of those permits is compensatory mitigation to offset the ecological effects of fill in the bay. The DAA, Federal Aviation Administration (FAA), DNR, and the US Army Corps of Engineers (USACE) coordinated to develop the mitigation plan over the course of a number of workshops and meetings prior to the issuance of the DNR Public Water Work Permit and USACE Clean Water Act Section 10/404 Permit (2008-01902-DWW). The mitigation package includes aquatic habitat enhancement and terrestrial habitat enhancement actions, that are summarized in the following table excerpted from the final submitted mitigation monitoring plan (dated June 2017 and Revised August 2017):



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**Table 1**  
**Summary of Mitigation Actions**

Mitigation Compensation Technique	Description	Size (Acres and/or Linear Feet)
Aquatic Enhancement	Aquatic habitat enhancement between seawall and runway 14 end	0.25 acres
Aquatic Enhancement	Aquatic habitat enhancement at relocated runway	8.0 acres
<b>Total Aquatic Enhancement</b>		<b>8.25 acres</b>
Terrestrial Enhancement	Shoreline native vegetation at top of riprap	6,000 linear feet at approximately 2.5 feet wide, 0.3444 acres
Terrestrial Enhancement	Terrestrial native vegetation near realigned runway and taxiway, and in area of pavement removal	23 acres
Terrestrial Enhancement	Shoreline native vegetation and invasive vegetation management at beach habitat near seawall	0.20 acres
Terrestrial Enhancement	Non-native and invasive vegetation management in DAA parcels adjacent to SNA	10 acres
<b>Total Terrestrial Enhancement</b>		<b>33.5 acres</b>

These mitigation elements were intentionally selected as actions within the control of the DAA, which fulfilled mitigation requirements of both the DNR and the USACE. The purpose of multi-agency coordination meetings included the goal of having a mitigation package suitable for both state and federal permit programs.

### Land Sale

During the coordination for environmental review and permitting, project partners discussed a potential future sale of DAA parcels on Minnesota Point to DNR for inclusion in the Minnesota Point Pine Forest Scientific and Natural Area (SNA). These DAA-owned parcels are adjacent to and located within the SNA. Completion of the runway relocation resulted in these parcels no longer serving an aviation use, and therefore may be eligible for release by the FAA to be sold by the DAA and/or City of Duluth. Inclusion of the parcels in the SNA was desirable to the DNR, to provide consistency in management and protection of the old growth forest. Although providing an ecological benefit, this land sale was not intended by DAA to constitute a mitigation action and was not proposed as such in the 2017 mitigation plan.

We summarize the reasons the land sale was *not* included in the mitigation plan as follows. The land sale could not occur concurrently with nor in advance of the runway relocation. DNR and USACE would generally disallow mitigation that could not occur until after a project with a large aquatic resource impact was complete. The land sale could *not* be considered as a mitigation action by the USACE, because the applicant could not receive monetary benefit for the sale *and* have it considered mitigation for the Clean Water Act Section 10/404 permit. Since DAA could not donate the land (due to the FAA requirement that the DAA receive fair market value for the land), the land sale could not be considered for mitigation by the USACE.

In addition, FAA, and likely MnDOT, have an approval action over the release of the land, and would not entertain release of the land until after the new runway opened and the previous runway closed. This would introduce significant risk in allowing the sale as a mitigation action, since the action required by the agencies (FAA and MnDOT) was outside the control of the permit applicant (the DAA) and the agencies could ultimately decline to



## DULUTH INTERNATIONAL AIRPORT

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release the land after the project was complete. Additionally, the FAA was heavily involved in the mitigation plan development. FAA would not have supported federal funding for mitigation activities that obligated FAA to assume approval of a future action (the land release), which must be evaluated separately and *after* the project, would be approved.

The environmental effects of the runway relocation project were considered in a joint federal Environmental Assessment/state Environmental Assessment Worksheet (EA/EAW) document prior to project permitting. Inclusion of the land sale as a condition of the project permits would have had to be evaluated in the EA/EAW prepared and signed by the FAA. And as outlined above, FAA would not have agreed to a future action obligation after the project. Current FAA guidance in the Airport Improvement Program (AIP) Handbook does not support providing grant funding for an action which would obligate a future FAA action (such as the land transfer). The DAA had to have an approved permit in hand for FAA to issue project grant funding, including the funding for mitigation actions. Special permit conditions must be considered in the NEPA process by FAA Order 1050.1F. Therefore, FAA was involved in review of the proposed mitigation activities, and would not have supported inclusion of the land sale as a mitigation activity since it was not included in the NEPA document.

SEH, as the primary developer of the mitigation plan, and the DNR and USACE (in their roles as reviewers and ultimate approvers of the mitigation plan), developed a package of actions which the DAA could control, and could happen concurrently with the runway relocation project. The relation of the land sale to the mitigation package, is as it pertains to how long the DAA is obligated to manage invasive plants in the parcels. A condition of the DNR permit identifies the DAA obligation to manage invasive plants until the parcels have transferred.

The permit application document (attached) references the future land sale under the heading of "General Public Interest Factors." These factors are part of the USACE Clean Water Act Section 404 Permit application review. The opportunity for the transfer to take place is a potential positive result of the project - like the economic benefits of continued operation of DYT based businesses. In that related example, the continued operation of DYT businesses present at the time of permit application is not a condition of the permit. DAA, as the permit applicant, did not intend these references to identify the land sale as part of the mitigation package.

Thank you for your review of this summary. We suggest a meeting to follow up on this discussion. We intend to work collaboratively on the land sale issue, but only if it is recognized to be a separate transaction, independent of the environmental permit. Though not a compensatory mitigation activity, we acknowledge the ecological benefits of the land sale and look forward to working with you on this in the future.

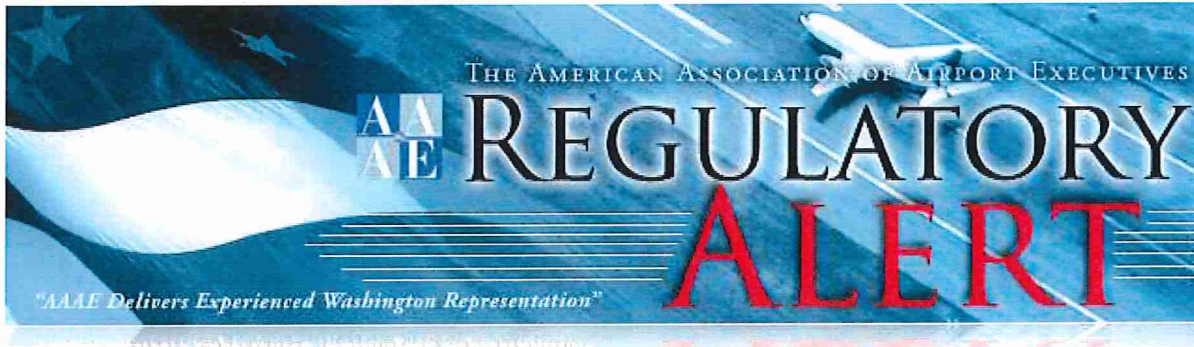
Sincerely,

**Tom Werner** Digitally signed by Tom Werner  
Date: 2021.01.08 08:46:24 -06'00'

Tom Werner, C.M.  
Executive Director  
Duluth Airport Authority



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## FAA Releases Summary of Aircraft Noise Annoyance Study Results

January 12, 2021

Today the Federal Aviation Administration (FAA) released a summary of the results from the agency's aircraft noise annoyance study, called the "Neighborhood Environmental Survey" (NES). According to the summary, the survey findings show a "substantially higher percentage of people highly annoyed over the entire range of aircraft noise levels" in comparison to the last study completed in 1992. The full NES report is expected to be released on FAA's website tomorrow morning.

AAAE participated in a briefing with FAA leadership on the impending release this afternoon. FAA indicated that the agency briefed each of the 20 airports where the NES was conducted and that the NES results will not affect ongoing projects at these airports. FAA emphasized that publication of the NES is not a policy change and the agency is not recommending any policy changes at this stage. The agency indicated that they want to hear feedback from industry and conduct any additional research before considering any updates to policy.

The summary of the results are included in an FAA notice and request for comments that will be published in the *Federal Register* tomorrow morning. A pre-publication version is available [here](#). The notice provides AAAE and industry with an opportunity to provide comments within 60 days. AAAE will be working with airport members and its Environmental Services Committee to respond to the NES survey results and FAA's request for comments.

**Background.** For several years airports have been anxiously awaiting the results of a study initiated by FAA in 2015 to update existing evidence and understanding of the relationship between aircraft noise exposure and its effects on communities around airports. The survey, which FAA has called the "Neighborhood Environmental Study," consisted of over 10,000 mail responses from community residents around 20 airports and 2,000 follow-up phone calls. FAA's existing evidence and understanding is based on an analysis and report on transportation noise conducted by the Federal Interagency Committee on Noise (FICON) in 1992. NES results will be used to update the agency's understanding of noise effects since the FICON report.

**Neighborhood Environmental Survey Results.** The NES describes the level of community annoyance based on the percentage of people who are "highly annoyed" and discusses aircraft noise exposure in terms of the DNL noise metric. The following are highlights from results of the NES:

- **Increase in Annoyance Levels.** Relative to 1992 report findings, FAA indicated that the NES results “show a substantially higher percentage of people highly annoyed over the entire range of aircraft noise levels (i.e., from DNL 50 to 75 dB) at which the NES was conducted. This includes an increase in annoyance at lower noise levels.” FAA also noted that recent studies have shown that “aircraft noise often results in higher levels of annoyance compared to the same level of noise from ground transportation sources.”
- **Comparison to 1992 Report Findings.** FAA shared specific comparisons between the NES results and data from the 1992 study and report. As an example, at a noise exposure level of DNL 65 dB, the 1992 report indicated that 12.3% of people were “highly annoyed,” compared to between 60.1 and 70.9% from the NES. At a noise exposure level of DNL 55 dB, the 1992 report indicated that 3.3% of people were “highly annoyed,” compared to between 27.8% and 36.8% from the NES.
- **Potential Factors for Increase.** FAA discussed potential factors that are contributing to the change in how communities may be responding to aircraft noise. These include changes to where people are choosing to live; increased in-home business and teleworking; increased awareness and perception of local and national noise issues; among other factors. FAA acknowledged that they need to conduct future research to understand specific drivers.

**Other Studies on the Effects of Aircraft Noise.** FAA’s notice included a summary of additional research that the agency is considering or already conducting to understand the effects of aircraft noise on individuals and communities. This research includes (a) the potential effects of aircraft noise on reading comprehension and learning motivation in children; (b) potential physiological impacts from noise exposure; (c) impacts on cardiovascular health; (d) quantifying the impact of noise exposure on sleep; and (e) an empirical assessment of the economic impacts to businesses located underneath aircraft flight paths. FAA indicated that the economic impact assessment is a follow on to the NES.

**What’s Next?** FAA is expected to publish the full NES report tomorrow morning. The agency will be considering the full NES results, in conjunction with additional research findings and stakeholder input, to determine how they may inform noise policy considerations. FAA specifically indicated that the agency will not update any of its noise policies until it has considered public and stakeholder input and any additional research that may be needed to improve FAA’s understanding of effects of aircraft noise exposure on communities.

FAA’s “Notice of Research Programs and Request for Comments” will be published in the *Federal Register* tomorrow, triggering a 60-day comment period that will end on **March 15, 2021**. AAAE will be working closely with airport members and its Environmental Services Committee to respond to the NES survey results and FAA’s request for comments.

If you have any questions or comments, please contact Justin Barkowski at [justin.barkowski@aaae.org](mailto:justin.barkowski@aaae.org).

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## Thank you for your corporate parking renewal and support for DLH!

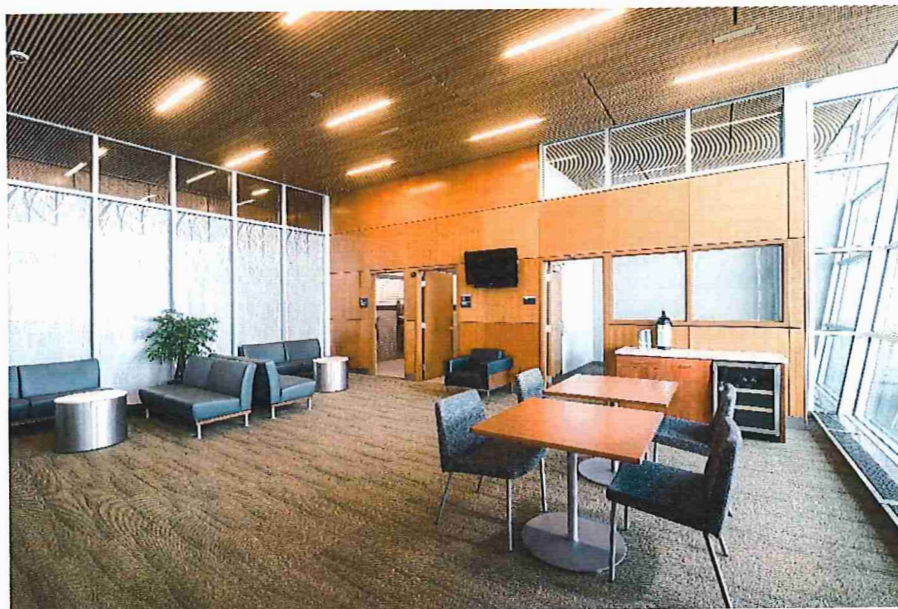
Because we appreciate your support of DLH and your corporate parking renewal, we are providing you with a 1-year free pass to our Club DLH Business Suite. The suite is located next to Gate 1. Please use the enclosed club pass card to swipe for access into the suite. If you after 1 year you find that you enjoy the club suite too much to go without it, you can renew your pass for \$150.00 for another year. We wish you safe travels~

---

### The Club benefits

Here is your 1 year free exclusive access pass to these great benefits:

- **A private, quiet space that provides social distance**
- **A mix of lounge and office seating to best suit your specific needs**
- **Free water, snacks and Wi-Fi**
- **Private bathrooms**
- **A conference room for small team meetings or private phone calls**





**DULUTH INTERNATIONAL AIRPORT**

**Travel Globally. Fly Locally.**

## *NEW BUSINESS*

## ~~VII~~ A

### Duluth Airport Authority Jonathan Messerer Operator Agreement

**Terms:**

- 10-year term

**Background:**

- Jon has operated at Sky Harbor as a mechanic for many years and is an important asset to the general aviation community at Sky Harbor and surrounding area
- This agreement is an updated version of his previous agreements

**Agreement Overview:**

- This agreement includes updated language we have included in our more recent agreements and removes old outdated terms
- Concession rates remained unchanged as they are consistent with other operating agreements

**Why were the changes in key terms needed/wanted?**

- Previous agreement was set to expire

**OPERATOR AGREEMENT**  
**Between**  
**JONATHAN AERO**  
**And**  
**DULUTH AIRPORT AUTHORITY**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, an airport authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and Jonathan Aero, a proprietorship, hereinafter referred to as "Operator";

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport and the Sky Harbor Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at these airports; and
2. Operator desires to offer airframe and power plant aircraft maintenance to the flying public at the Sky Harbor Airport.
3. The Authority desires to allow this service to be provided at Sky Harbor Airport.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1**  
**DEFINITIONS**

The following terms, as used in this Lease Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Sky Harbor Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him/her or by a person designated by him/her to sign such document.
- C. Executive Director: shall mean the Executive Director of the Authority, or designee
- D. Licensed Premises: shall refer to space located at Sky Harbor Airport and described in Section 2.
- E. Leasehold Improvements: shall refer collectively to all items located on and within the Licensed Premises provided or purchased by Operator, including such items as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and walls coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, and signs.

**SECTION 2**  
**LICENSED PREMISES AND OPERATIONS AT THE AIRPORT**

- A. Licensed Premises and Operation

The Operator is hereby authorized to provide the following services on the Operator's leased premises hereinafter described:

- A. Rental/Storage Hangar
- B. Equipment Rental
- C. Non-Hangar Leased Area Tie Down/Parking/Storage Fees On Operator's Leased Premises
- D. Aircraft Maintenance, Oil, Liquids
- E. Aircraft Parts
- F. Ground Handling

In the event that Operator desires to operate a service not specified heretofore set forth, it shall make timely request of the Executive Director which the Executive Director shall promptly consider. The parties agree to negotiate with respect to such additional activities by Operator and the Executive Director agrees not to unreasonably withhold its permission and consent for such additional uses.

**B. Common Premises**

Authority does grant to Operator and to its employees' access in common with the access granted to members of the general public to all public portions of the Airport, roads, dock and parking facilities.

**C. Licenses**

Operator shall ensure that the pilots and aircraft be licensed, registered and insured in accordance with the Minnesota Department of Transportation Standards (MnDOT). Operator shall comply with all applicable MnDOT and Federal Aviation Administration laws, rules, regulations and certifications.

### **SECTION 3 EQUIPMENT**

Operator agrees to provide or cause to be provided equipment needed for its business. Authority will not be responsible for Operator's equipment. Equipment must be kept on leased premises.

### **SECTION 4 FEES, TAXES AND OTHER CHARGES**

**A. Operator Fee:** Operator agrees to pay the Authority a quarterly fee of:

- 1. Two and one-half percent (2.5%) of gross sales and services derived from rental/storage hangar fees, equipment rental, aircraft maintenance, and oil and liquid sales operations pursuant to this Agreement.
- 2. Five percent (5%) of gross sales derived from non-hangar tiedown/parking/storage fees on Operator's leased premises.
- 3. One percent (1%) of gross sales derived from the sale of aircraft parts.

**B. "Gross Sales" Defined:** The term "Gross Sales", for the purposes of this Agreement, shall include all monies paid or payable to the Operator for sales made and for services rendered at the Airport pursuant to this Agreement; provided, however, that any sales taxes or similar taxes imposed by law which are separately stated and paid by the consumer or customer and which are directly payable to the taxing Authority by Operator shall be excluded therefrom.

**C. Monthly Statements:** Within fifteen (15) days of the month following the end of the quarter in which Gross Sales are received, Operator shall submit to Authority a quarterly statement,

showing the amount of Gross Sales for the preceding quarter and an itemization of all claimed exclusions therefrom. This duty shall survive termination of this Agreement.

- D. Payment Dates: All payments of the monthly consideration referred to in Paragraph A.1, A.2 and A.3. above shall be due and payable within fifteen (15) days of the month following the quarter in which Gross Sales arose. All other payments required by this Agreement shall be due and payable immediately upon being billed to Operator by Authority. If Operator is delinquent for thirty (30) days or longer in paying any amounts owed to the Authority under this Agreement, Operator shall pay to the Authority a late payment charge assessed on the delinquent amount at the Authority's then-prevailing rate on delinquent accounts (the rate at the date of execution of this Agreement is one and one-half percent (1½%) per month). The late payment charge shall accrue from the date the delinquent amount was due until paid. The remedy provided by this Section is in addition to all the other remedies the Authority may have for a breach of this Agreement by Operator, and nothing in this Section shall be deemed to be a waiver by the Authority or prevent the Authority from asserting any other remedy.
- E. Utilities: No utilities will be provided by Authority as part of this Agreement.
- F. Refuse and Garbage: Operator assumes all responsibility at its sole cost for the disposal of refuse and garbage generated by its operations on the Licensed Premises during the term this Agreement.
- G. Fee for Failure to Maintain: Operator agrees to keep the Licensed Premises and the Airport in a clean, neat, orderly and sanitary condition. In the event that Operator fails to keep the Licensed Premises in a neat, clean, orderly and sanitary condition and the Executive Director has issued a written notice of such deficiency and provided a reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Licensed Premises not so kept, and Operator agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon receipt.
- H. Fee for Repair and Replacement: Operator shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Operator fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Operator agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon receipt.
- I. Fee for Unpaid Licenses, Fees, Taxes, and Assessments: Operator shall be liable for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, or on account of the transaction of business thereon by Operator, charged by any governmental agency and to provide evidence of payment of any of such taxes, assessments, license fees or other charges when the same become due. Should Operator fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Operator, and Operator agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon receipt.
- J. Payment Obligations Unconditional: The obligations of Operator to pay any amounts due to Authority under this Lease Agreement in accordance with the terms hereof shall be absolute and unconditional, irrespective of any defense or rights of set off, recoupment or counterclaim which may at any time be available against Authority. Such payments shall be due without notice or demand therefore except as specifically provided for herein.



- K. Books and Records: Operator shall maintain full and accurate financial books of accounts and records conforming to sound and accepted accounting principles consistently applied from which Gross Sales can be determined. These books of accounts and records shall be kept at the Airport or at a convenient location which Operator shall designate within the City of Duluth. Any and all books and records shall be kept, maintained and preserved by the Operator throughout the course of this Agreement and for not less than six (6) years after the termination or expiration of this Agreement. The records so required to be kept and maintained shall include all federal, state and local tax returns; records of daily bank deposits of the entire receipts from transactions at the Airport; sales slips; daily dated cash register tapes; sales books; duplicate bank deposit slips, and bank statements. Until the end of the six-year period, the Authority shall have the right to inspect and audit all books and records and all other papers and files of the Operator relating to Gross Sales. Any such inspection or audit shall be conducted during regular business hours and Operator shall produce the appropriate books and records upon the request of the Authority. In the event any audit discloses that the amount of Gross Sales on any statement was understated by one percent (1%) or more of Gross Sales for any month, the Operator shall pay to the Authority the cost of its audit and investigation, plus any arrearage in fees due to the Authority under this Agreement.

## **SECTION 5 TERM**

Notwithstanding the date of execution of this agreement, the term of this Agreement shall be for ten (10) years beginning January 1, 2021 through December 31, 2030 unless sooner or later terminated as herein provided. Either party may terminate without cause upon ninety (90) days written notice.

Following the expiration of the term of this Agreement or any extension thereof as called for herein, the terms and conditions of the Agreement will be continued on a month-to-month basis until a new Agreement is reached, subject to the right of either party to terminate without cause upon fifteen (15) days' written notice to the other party.

## **SECTION 6 OPERATOR'S OBLIGATIONS**

- A. Diligent Operation: Operator covenants and agrees that it shall be diligent in the prosecution of its business, including the activities listed in Section 2, on the Airport and do all things reasonably necessary and advisable to serve the customer adequately and fairly and to conduct its business in such a manner as will not reflect discredit upon the Authority or cause Authority loss or damages and will furnish prompt and efficient service as shall be adequate to meet the demands of the customers.
- B. Fair and Nondiscriminatory Services: Operator, in the conduct of its authorized activities on the Airport, shall furnish good, prompt and efficient service adequate to meet the demands for its services at the Airport, and shall furnish such service on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable, and not unjustly discriminatory prices for each such unit of sale or service; provided, however, that Operator shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types or price reductions to volume purchasers.

- C. Authority's Fire Insurance: Operator covenants that it will not do or permit to be done any act which:
1. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof
  2. will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof
  3. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.
- If, by reason of Operator's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Operator shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Operator.
- D. Airport Promotion: Operator agrees to use its best efforts to actively promote the Airport and its utilization by members of the flying public. Operator shall, at all times, purchase fuel at the Airport while operating as defined herein.

## **SECTION 7 INDEMNITY**

- A. Defense and Indemnity: Operator shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Operator, its officials, agents or employees, successors or assigns, Operator's performance of obligations under this Agreement, or the use and/or occupancy of the Licensed Premises or of the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.
- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Operator shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Operator, its officials, agents or employees, successors or assigns. Operator shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or

indirectly out of the use of or generation of such substances by Operator, its officials, agents or employee, successors or assigns in its operations at the Airport; and Operator specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

- C. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

## **SECTION 8 INSURANCE**

- A. Insurance: Operator shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Operator shall carry workers' compensation insurance on all of its employees employed on the Airport. Operator may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Operator agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Operator under this Section.
- D. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Operator's interests and liabilities. It shall be the obligation and responsibility of Operator to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Operator's property and Authority

expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Operator.

## **SECTION 9 LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION**

- A. Laws, Ordinances and Rules: The Operator agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Operator agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: The Operator for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
  2. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
  3. That the Operator shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended; and
  4. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.

## **SECTION 10 INDEPENDENT CONTRACTOR**

Operator is an independent contractor and not an employee of the Authority or the City. Operator shall not be considered an employee of the DAA or City, and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of Operator while so engaged and any and all claims whatsoever on behalf of Operator arising out of employment or alleged employment, including without limitation, claims of discrimination against the DAA or City, or its officers, agents, contractors or employees shall in no way be the responsibility of the DAA or City. Operator and its officers and employees shall not be entitled to any compensation or rights or benefits of any hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay.

**SECTION 11**  
**AUTHORITY'S RIGHTS UPON DEFAULT**

- A. Authority's Rights: If at any time Operator shall be in Default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
1. Immediately, or at any time thereafter without further notice to Operator, re-enter into or upon the Licensed Premises or any part thereof and take possession of the same fully and absolutely without such re-entry working a forfeiture of the charges to be paid and of the covenants, terms and conditions to be performed by Operator for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of charges to be paid under this Agreement or to recover properly measured damages
  2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter and the Operator covenants in case of such termination to indemnify the Authority against all loss of all operator fees, rents, revenues and expenses which the Authority has suffered or paid by reason of such termination, during the residue of the term
  3. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings and all such remedies shall be cumulative.
- B. Default Defined: For the purposes of this Section only, "Default" shall be defined when any of the following circumstances exist:
1. If the Operator has failed to pay rent, operator fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing to the Operator in the manner hereinafter provided for.
  2. If the Operator fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Operator written notice, or the Operator shall have failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days
  3. If a petition to reorganize the Operator or for its arrangement of its unsecured debts shall be filed
  4. If the Operator shall be adjudicated bankrupt
  5. If a receiver or trustee of the Operator's property shall be appointed by any court
  6. If the Operator shall make a general assignment for the benefit of creditors
  7. If all of the interest of the Operator in its property shall be taken by garnishment, attachment, execution or other process of law, or
  8. If the Licensed Premises shall be deserted or vacated.
- C. Attorneys' Fees: In the event Authority shall prevail in any action or suit or proceeding brought by Authority to enforce compliance with this Agreement or for the failure to observe any of the covenants of this Agreement, Operator agrees to pay Authority such sums as the court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceeding.

## **SECTION 12 WAIVER OF BREACH**

The waiver by the Authority of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

## **SECTION 13 ASSIGNMENTS**

The Operator shall not assign or transfer this Agreement in whole or in part, in any manner, nor any interest therein, nor permit the foregoing agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of the Executive Director shall first be obtained in each and every case of assignment or transfer. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Operator, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Operator that in the event consent is granted by the Executive Director as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement.

## **SECTION 14 ERECTION OF SIGNS - DECORATIONS**

The Operator shall be allowed to erect suitable advertising signs on the Airport to advertise its business in the Licensed Premises at its sole expense and at the discretion of the Executive Director. Requests shall be submitted in writing and the Executive Director shall have thirty (30) days to respond. Decorations, graphics outdoor advertising, paint schemes, promotional structures, must comply with all regulations, be safe for air terminal operations, and be approved in writing by the Executive Director in writing. No audio advertising or amplified audio solicitation shall be allowed.

## **SECTION 15 WAIVER OF CLAIMS**

Operator waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing: war, strikes, riots, civil commotion and similar causes.

## **SECTION 16 NON-EXCLUSIVE RIGHTS**

Operator shall have the non-exclusive right and privilege of engaging in and conducting a limited service on the premises of the Airport under the terms and conditions as set forth herein. However, this Agreement shall not be construed in any manner to grant Operator or those claiming under it the exclusive right to the use of the premises and facilities of said Airport. The parties to this Agreement do not intend to create any rights in any third party beneficiary.

## **SECTION 17 GOVERNMENTAL COMMITMENTS**

This Agreement shall be subordinate to the provisions of and requirements of any existing or future agreements between the Authority and the United States, or other governmental authorities, relative to the development, operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds, or other governmental authority funds, for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States, or other governmental authorities, of other civil airports receiving such funds.

## **SECTION 18 SPONSOR ASSURANCES**

Should the FAA determine that any term or provision of this Agreement results in, or could result in, a violation by the Authority of its obligations as an airport sponsor under grant assurances contained or incorporated in any grant agreement, existing or future, to which the Authority is a party ("Sponsor Assurances"), Operator and the Authority unconditionally agree to modify or amend this Agreement to remedy any such violation, or potential violation, and bring this Agreement into strict compliance with the Authority's Sponsor Assurances.

## **SECTION 19 SEVERABILITY**

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in force and effect and shall be binding upon the parties to this Agreement.

## **SECTION 20 MODIFICATION OF THE AGREEMENT**

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Operator, but to be valid any such changes must be in writing, dated and duly executed by the parties.

## **SECTION 21 NOTICES**

All notices to be given by Operator to the Authority shall be deemed to have been given by depositing written notice in the United States Mail addressed to Authority at the Duluth International Airport, 4701 Grinden Drive, Duluth, Minnesota, 55811. All notices to be given by Authority to Operator shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Operator at 2009 West 8<sup>th</sup> Street Duluth, MN 55806.

## **SECTION 22 IMMUNITY**

Nothing in this Agreement shall be construed as a waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority or the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

## **SECTION 23 APPLICABLE LAW**

This Agreement, together with all of its sections, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located in St. Louis County, Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

## **SECTION 24 COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

## **SECTION 25 RECORDS**

- A. Establishment and Maintenance of Records. Records shall be maintained by Operator in accordance with requirements prescribed by Authority and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
- B. Documentation of Costs. Operator will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- C. Reports and Information. Operator shall be responsible for furnishing to Authority records, data and information as City may require pertaining to matters covered by this Agreement.
- D. Audits and Inspections. Operator shall ensure that at any time during normal business hours and as often as Authority may deem necessary, there shall be made available to Authority for examination, all of its records with respect to all matters covered by this Agreement. Operator will also permit Authority to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices,



- materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.
- E. Confidentiality of Information. All reports, data, information, documentation and material given or prepared by the Operator pursuant to this Agreement will be confidential and will not be released by Authority without prior authorization from Operator except as required for the performance of Operator's services or as required by law.
- F. Ownership of Data. All reports, records and other data prepared under this Agreement shall become the property of Authority upon completion or termination of the services of Operator.

**SECTION 26  
ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 2021.

**DULUTH AIRPORT AUTHORITY**

**JONATHAN AERO**

By \_\_\_\_\_  
President

By \_\_\_\_\_

By \_\_\_\_\_  
Secretary

Its \_\_\_\_\_



Duluth Airport Authority  
Short Elliott Hendrickson Inc. (SEH) Work Order 2021-1 for Final Design for  
the Taxiway A Reconstruction – Phase 1 Project at the Duluth International  
Airport

**Terms:**

- Estimated start date of January 19, 2021
- Estimated end date of June 30, 2021

**Agreement Overview:**

This work order includes final design for the Taxiway A Reconstruction – Phase 1 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

**Background:**

Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The full taxiway is approximately 10,700 feet in length, and the taxiway width varies along its alignment. Most of the taxiway is 75 feet wide with no taxiway shoulders. The existing bituminous and concrete pavement has been in place since 1974 and the pavement condition is in fair to poor condition, requiring major rehabilitation. The reconstruction of Taxiway will be completed in three or four phases, pending the result of the Airport Master Plan. Phase 1 will be the east end of the parallel taxiway, from the western edge of the runway safety area of Runway 3/21 near the Air Traffic Control Tower to the recently relocated and reconstructed Taxiway A5 in front of the terminal. Phase 1 will include approximately 1,800 feet of taxiway, 75 feet in width, with bituminous shoulders. The work will include drainage improvements and including potential storm structure repair or replacement. The apron area between the parallel taxiway and the newly constructed commercial service apron will be evaluated for reconstruction as part of this project. Additionally, new taxiway lighting will be installed, and the associated airfield lighting control system modified to match the installed lighting configuration.

This scope of engineering services includes final design, including Engineer's Design Report, plan drawings and specifications, construction bidding documents, FAA construction plan and specification review, as well as public outreach and project management. Project bidding is anticipated for May of 2021. Construction is anticipated to take place in the summer of 2022.

Final design of FAA eligible areas is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA) and 5 percent funded by the Minnesota Department of Transportation (MnDOT). The remaining areas are anticipated to be funded by the Air National Guard.

**WORK ORDER  
No. 2021-1  
Between**

The Duluth Airport Authority (DAA) (Owner) and  
Short Elliott Hendrickson Inc. (SEH) (Consultant)

Dated: January 19, 2021

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**TAXIWAY A RECONSTRUCTION – PHASE 1 (FINAL DESIGN)  
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes final design of the Taxiway A Reconstruction (Phase 1) at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 5-19-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is January 19, 2021; estimated end date is July 1, 2021.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$459,300.00. Schedule A is \$442,500.00 and is considered FAA eligible. Schedule B is \$16,800.00 and is considered FAA ineligible.

A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

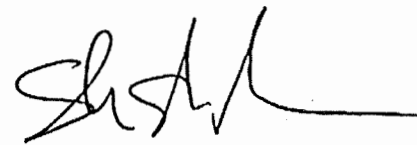
Point of Contact: Shawn McMahon, PE

**APPROVED:**

**Duluth Airport Authority (DAA)**

**Short Elliott Hendrickson Inc.**

\_\_\_\_\_



Title: \_\_\_\_\_

Title: Principal \_\_\_\_\_

Date: \_\_\_\_\_

Date: January 19, 2021 \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ATTACHMENT A

## Duluth International Airport (DLH)

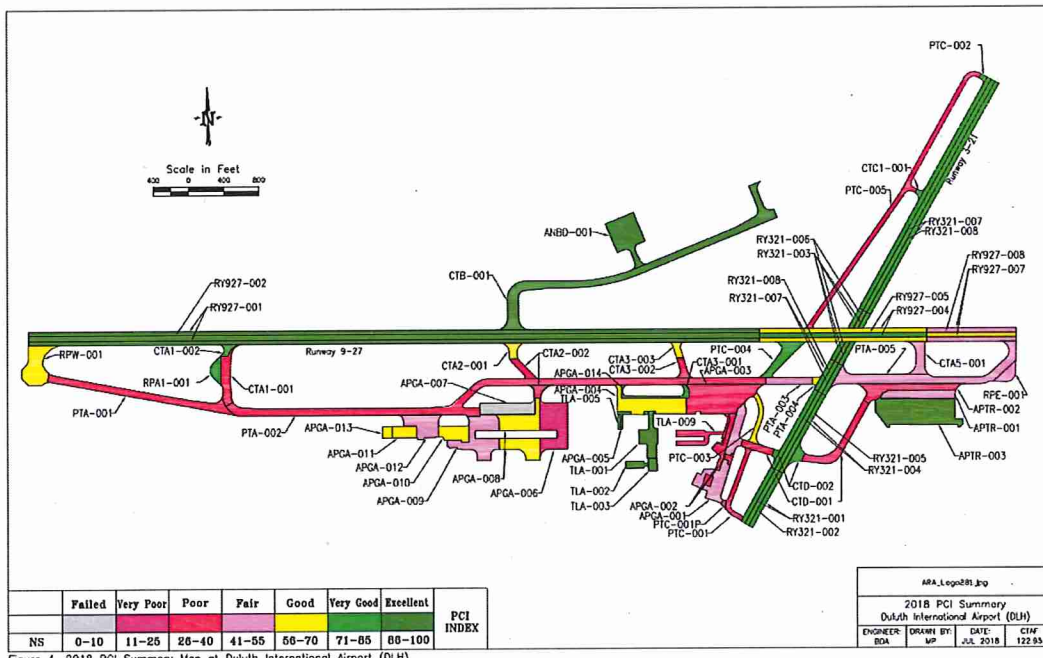
### Taxiway A Reconstruction, Phase 1

#### Scope of Work

#### Schedule A (FAA Eligible)

#### Engineer's Design Report, Final Design, Plans and Specifications, Bidding Documents

**General** – Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The full taxiway is approximately 10,700 feet in length, and the width varies along its alignment. The majority of the taxiway is 75 feet in width with no taxiway shoulders. The existing bituminous and concrete pavement has been in place since 1974 and the pavement condition is in fair to poor condition, requiring major rehabilitation. The most recent Minnesota Department of Transportation (MNDOT) pavement condition assessment was completed in 2018 and recorded the following results.



The reconstruction of Taxiway will be completed in three or four phases, pending the final result of the Airport Master Plan. Phase 1 will be the east end of the parallel taxiway, from the western edge of the runway safety area of Runway 3/21 to the recently relocated and reconstructed Taxiway A5. The areas included in Phase 1 using the MnDOT naming convention will include PTA-005, PTA-004, APTR-001, and APTR-002. Pavement distresses exhibited in the Phase 1 areas include concrete breaking, spalling, joint damage, shattered slab, raveling, longitudinal cracking and weathering.

Phase 1 will include approximately 1,800 feet of taxiway, 75 feet in width, with bituminous shoulders. The work will include drainage improvements and including potential storm structure repair or replacement. The apron area between the parallel taxiway and the newly constructed commercial service apron will be evaluated for reconstruction as part of this project. Additionally,

new taxiway lighting will be installed, and the associated airfield lighting control system modified to match the installed lighting configuration.

*(The Construction Administration scope items will be included in a subsequent work order.)*

**Proposed project schedule:**

Jan 19, 2021 – DAA Board consider Final Design contract  
January 31, 2021 – Submit Engineer's Design Report  
April 19, 2021 – Final plans and specifications posted for bidding  
May 6, 2021 – Bid opening  
May 18, 2021 – DAA Board consider Construction Administration contract  
May 31, 2021 – Grant application submittal  
June 2022 – Construction

**Project Deliverables** – The project deliverables of this scope include the following:

1. Project formulation
2. Engineer's Design Report for Taxiway A Reconstruction, Phase 1
3. Plan drawings for Taxiway A Reconstruction, Phase 1
4. Construction bidding documents for Taxiway A Reconstruction, Phase 1
5. FAA Construction plans and specifications review
6. Quality Control reviews
7. Project management

**This work scope includes:**

**Work Element 1: Project Formulation**

**Task 1.1 – Scoping, Review, and Coordination** – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received.

**Task 1.2 – Project Formulation** – SEH will complete the project and grant pre-application documentation, cost breakdowns and eligibility determinations for the approved scope of work.

**Work Element 2: Engineer's Design Report**

**Task 2.1 – General Scope of Work** – SEH will develop a brief narrative of the work scope, delineation of eligible/ineligible work items, any unique or unusual situations, and historical background on the proposed project.

**Task 2.2 – Photographs** – SEH will coordinate with DAA staff to capture photographs of representative areas of existing site conditions of the pavement. The photographs will be included within the report.

**Task 2.3 – Applicable AIP Standards** – All applicable AIP standards will be referenced in the report by FAA Advisory Circulars. Specific values for design standards as required for Taxiway A will be displayed in table format

for airplane design group, approach category, runway safety area and object free area dimensions, geometric values and surface gradients.

**Task 2.4 – Airport Operational Safety Considerations** – SEH will develop a preliminary Construction Safety and Phasing Plan (CSPP) to evaluate proposed phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users. All airport facilities, including approach procedures and navigational aids, will be evaluated for potential impacts due to construction.

**Task 2.5 Pavement Design** – SEH will utilize pavement cores, soil borings and the geotechnical evaluation and report to evaluate the current pavement condition and underlying soils. The resulting pavement evaluation and identification of soil characteristics will be used with the fleet mix to develop a proposed pavement design and alternatives. (FAARFIELD program results and FAA Form 5100-1 will be included as part of the report.) Existing pavement removal/reuse options will be explored, as well as base and subgrade conditions and proposed modifications.

In addition, the document will use the critical design aircraft determined in previous phases for pavement design but verified for the varied geotechnical conditions.

**Task 2.6 – Drainage Design** – SEH will conduct a site visit, inspection and evaluation of the existing drainage and subsurface drainage systems. Delineation of the drainage area and stormwater runoff calculations will be determined to confirm current drainage and stormwater treatment features.

**Task 2.7 – Airfield Lighting and Signage** – SEH design team will evaluate the existing airfield and electrical system. Requirements for installation of a new taxiway lighting system will be confirmed. SEH will develop a preliminary taxiway lighting layout and determine regulator requirements.

**Task 2.8 – Navigational Aids** – SEH design team will confirm information obtained during previous studies concerning the navigational aids associated with Runway 9/27 and Taxiway A. All affected navigational aids and ownership will be included in the report in table format, together with any potential impacts expected as part of the Taxiway A Phase 1 construction. It is anticipated that reimbursable agreements will not be necessary for this project and this will be explored and confirmed as part of the design report.

**Task 2.9 – Pavement Marking** – SEH will develop a preliminary pavement marking plan and details to be included as part of the report. Coordination with FAA Part 139 inspector for the marking plan is included as part of this task. Pavement marking for both the runway under the temporary displaced threshold and final runway markings will be completed.

**Task 2.10 – Environmental Considerations** – SEH will document previously completed Categorical Exclusion (CATEX) for the Taxiway A project. SEH will also identify necessary permits, including but not limited to NPDES and developing a Stormwater Pollution Prevention Plan (SWPPP) in concert with preliminary erosion control plans.

**Task 2.11 – Existing Utilities** – SEH will develop a drawing that identifies and delineates existing underground utilities in and adjacent to the area of the Taxiway A Reconstruction, Phase 1.



- Task 2.12 – Miscellaneous Work Items** – SEH will provide a narrative to address other work components of the project, such as turf establishment, erosion control, site access, and other related work items.
- Task 2.13 – Life Cycle Cost Analysis** – SEH will complete the Life Cycle Cost Analysis to compare pavement design utilizing both flexible and rigid pavements. The Life Cycle Cost Analysis process and results will be included in the report.
- Task 2.14 – Modification to AIP Design Standards** – No modifications to design standards are anticipated, but this task will explore all preliminary design to confirm that no modifications to design standards will be requested.
- Task 2.15 – AIP Non-eligible Work Items** – Any potential non-eligible work items will be identified. If non-eligible work items are identified, the process for separating these work components from eligible components will be addressed.
- Task 2.16 – Disadvantaged Business Enterprise (DBE)** – The current status of the Sponsor's DBE program will be established, together with project goals for the Taxiway A Reconstruction, Phase 1 project. It is anticipated that the goal from 2019, 2020, and 2021 will be reviewed.
- Task 2.17 – Project Schedule** – SEH will develop a schedule and associated chart to identify the project schedule specific to Phase 1 of the Taxiway A Reconstruction, and milestones during the design and bidding process.
- Task 2.18 – Engineer's Estimate of Probable Cost** – SEH will provide an itemized summary of the engineer's estimate of probable construction costs. Any ineligible work components will be called out separately.
- Task 2.19 – Preliminary Project Budget** – SEH will develop a preliminary project budget that will include anticipated engineering costs, construction costs, and administrative costs. Potential funding sources and prorations will also be included.

### **Work Element 3: Plan Drawings for Taxiway A Reconstruction, Phase 1**

Final design and plan drawings for Taxiway A Reconstruction, Phase 1, will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5300-13A, *Airport Design*, will be utilized in the development of the plan set. Other applicable ACs, FAA Orders, Regulations and Policy Memorandums will be used as needed. Specific tasks included with this work element include:

- Task 3.1 – Environmental Coordination and Permits** – SEH will refine the draft Stormwater Pollution Prevention Plan (SWPPP) and erosion control plans completed as part of the Engineer's Design Report. Additionally, the scope of work includes completion and/or coordination of the following permits:
- MPCA NPDES permit application
  - City of Duluth Haul Route Application
  - City of Duluth Stormwater permit
  - Stormwater Pollution Prevention Plan (SWPPP)
- Task 3.2 – Construction Safety and Phasing Plan Development** – SEH will refine and update the preliminary Construction Safety and Phasing Plan (CSPP) that was developed as part of the Engineer's Design Report. SEH will meet with DAA staff, airfield tenants and users to evaluate potential risks

and determine appropriate mitigation tactics. The preliminary CSPP will be enhanced to determine final phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users and airfield facilities. A final CSPP will be uploaded for FAA airspace review.

**Task 3.3 – Detailed Final Design** – The final design will comprise of two distinct elements, including taxiway reconstruction and realignment and commercial service apron reconstruction. Detailed final design to include establishment of final plan/profile, shoulder impacts from taxiway widening and construction, surface and subsurface drainage design and other related project elements. Electrical final design will be related to edge lighting, taxiway lighting, and associated components. (See attached work scope from electrical subconsultant).

**Task 3.4 – Construction Plan Sheets** – Specific plan sheets to be developed and included in the plan set are as follows:

- Title Sheet
- Construction Safety Plan
- Construction Phasing Plan
- Construction Signage Plan
- Statement of Estimated Quantities
- Details and Construction Notes
- Utility Locations Plan
- Typical Section(s)
- Removal Plan
- Erosion Control Plan and Details
- Topography and Plan/Profile drawings for new pavement
- Alignment Plan
- Bituminous Pavement Jointing Plan and Details
- Concrete Pavement Joint Plan and Details
- Pavement Marking Plan and Details
- Standard Plates
- Cross Sections
- Electrical Layout and Details

**Task 3.5 – Quality Control Site Visit** – SEH will conduct two quality control site visits during final design to verify base maps, utility locations, light locations, grades, and other relevant site features to ensure conformance to bidding documents.

#### **Work Element 4: Construction Bidding Documents for Taxiway A Reconstruction, Phase 1**

Elements of the Construction Bidding Documents will be prepared in accordance with FAA Advisory Circulars (AC) 150/5300-13A, *Airport Design* and other applicable AC's, Orders, Regulations and Policy Memorandums. Specific tasks included with this work element include:

**Task 4.1 – Construction Bidding Documents** – A bid proposal project manual will be prepared that will consist of a table of contents, advertisement for bids, proposal documents, schedule of prices, State and Federal requirements, wage rates, technical specifications and special provisions.

**Task 4.2 – Construction Management Plan** – A Construction Management Plan (CMP) and reporting program will be prepared per FAA guidelines.

**Work Element 5: FAA Construction Plans and Specifications Full Review**

**Task 5.1 – FAA Coordination** – SEH will coordinate with the FAA on submitting a 90% complete set of construction plans and specifications for FAA review.

**Task 5.2 – Completion of Appendix 3, “Full Review Guide”** – SEH will complete Appendix 3 “Construction Plans and Specifications “Full Review Guide” and submit the document with the 90% plans and specifications

**Task 5.3 – Review and Address FAA Comments** – SEH will review and address all FAA comments on the plans and specifications and develop documentation to track any comments received and how those comments were addressed.

**Work Element 6: Quality Control Reviews**

Quality Control includes the following tasks:

**Task 6.1 – Quantity Calculations and Final Engineer’s Estimate** –This task includes finalization of quantities associated with the project for use in the bid package. A final engineer’s estimate using these quantities is also included.

**Task 6.2 – Quality Control Reviews** –This task includes quality control reviews of the project plans and specifications, quantity determinations and construction cost estimates. An on-site plan review with DAA staff is included.

**Work Element 7: Project Management** – This task includes the overall project management of Work Elements 1 through 6 noted above. Project Management includes administration of the project, design team meetings, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

**Task 7.1 – Design Team Meetings** –This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated that there will be 12 design meetings.

**Task 7.2 – Agency Meetings** –This task includes monthly meetings by the design team, MnDOT Office of Aeronautics, FAA ADO, DAA staff, and other individuals and agencies as needed, to discuss the project design development, schedule, and any other related items. It is anticipated that there will be four, two-hour agency virtual meetings, attended by PM, PE, and Planner.

**Task 7.3 – Airport Authority Meetings** –This task includes attendance at monthly DAA Authority meetings to provide project updates to the DAA Board members. Four, two-hour meetings are included requiring Principal, PM, and Planner attendance.

**Task 7.4 – Public Involvement Meetings and Notifications** – This task includes specific meetings with airlines, airfield businesses, airfield tenants, terminal tenants, St. Louis County, and other critical stakeholders to provide updates on the status of the project and address any issues or concerns. This task

also includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items. Project mailing and notifications will be sent out to the stakeholders. SEH will also host a public open house and two dedicated tenant meetings discussing the proposed improvements.

**Task 7.5 – Sub consultant Coordination** –This task includes subcontractor coordination and administration, including contract and fee development, escorting of field work, deliverable review, and final payment and closeout.

**Task 7.6 – Overall Project Management** –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, progress reports, budget updates and monthly invoices and contract negotiation.

## **Duluth International Airport**

### **Taxiway A Reconstruction Phase 1 – 100% Electrical Design Services**

#### **Scope of Work**

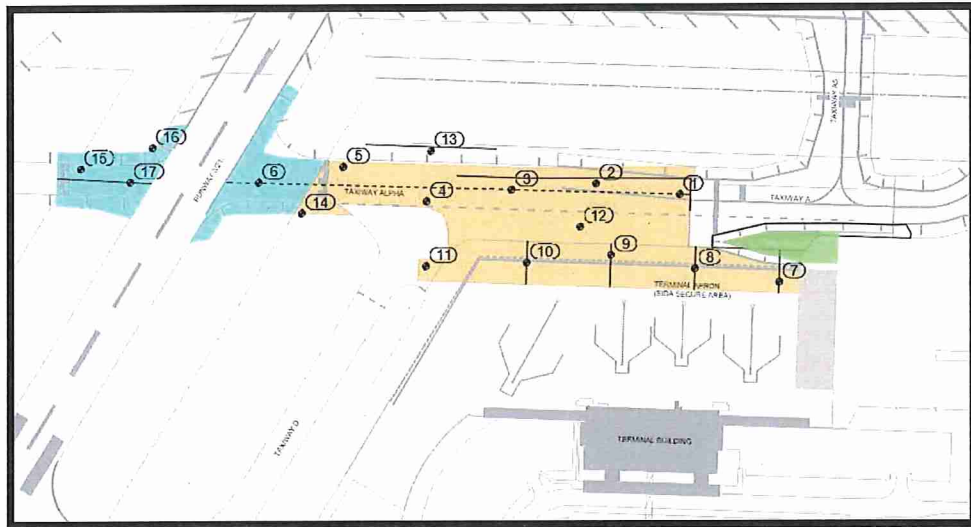
##### **Overall Project Scope**

Project will involve the completion of the electrical scope from FAA approved 30% design to development of 100% Issue for Bid construction documents for Phase 1 of the Taxiway (TW) Alpha Reconstruction project. Drawings, technical specifications and estimating bid quantities will be provided to successfully bid the project for the Duluth International Airport.

##### **Electrical Design Scope, Taxiway Alpha – Phase 1**

In the first phase of the reconstruction of existing Taxiway Alpha, there are three lighting circuits in the vicinity of the proposed area of work. The TW Alpha East circuit ('AE') circuit serves existing L-861T incandescent taxiway edge lighting fixtures between Taxiway Alpha 5 ('A5') and the crosswind Runway 3/21. The second circuit is the TW Alpha Center circuit which also serves existing taxiway edge lighting between Runway 3/21 and Taxiway A3. The approximate boundary for Phase 1 taxiway A reconstruction scope of work is shown just to the east of Runway 3/21 so it is anticipated that only a few of the existing lighting fixtures on the existing Alpha Center circuit will be modified as part of this project. Thirdly, the existing TW A5 circuit serves the existing edge lighting for the A5 connector, in-pavement A5 taxiway centerline fixtures as well as some additional elevated and in-pavement edge lighting fixtures adjacent to the terminal apron.

New L-861T(L) elevated taxiway edge Light Emitting Diode (LED) type lighting fixtures and corresponding infrastructure (i.e. lighting can, drainage, conduit, wire, etc.) will be provided to match the new pavement geometries per FAA design criteria. Layout for new taxiway edge lighting fixtures shall conform to AC/150-5340-30J. Replacement of existing incandescent airfield lighting fixtures with LED type will also be examined for the three previously identified lighting circuits, AE, Alpha Center and A5. Further information shall be communicated with FAA in regard to the proposed scope of work in the form of the 30% Engineer Design Report (EDR) to determine proper project eligibility. New homeruns and Constant Current Regulators (CCR) will also be provided for airfield lighting circuits that are either affected in their entirety or have not been recently previously replaced (i.e. Phase 3 RW 9/27 project). Existing airfield signage will also be provided new LED type signage inclusive of new concrete foundations, cans, drainage, conduit, wire, etc. There will also be additional programming required to the existing Airfield Lighting Control and Monitoring System (ALCMS) to update both airfield ALCMS graphics and presets as well as commissioning for new circuit terminations and new CCRs.



### **Anticipated Elements of Work for the Electrical Design Scope.**

#### **1. PROJECT MEETINGS:**

- a. Attend 4 internal virtual project team meetings.
- b. Attend 65% and 95% virtual review meetings with DAA.
- c. Attend 95% FAA virtual review meeting.
- d. Attend virtual Pre-Bid Meeting.

#### **2. FINAL DESIGN PRODUCTION:**

- a. Prepare final Issued for Bid (IFB) electrical construction drawings.
- b. Prepare IFB Electrical Specifications in conformance with latest FAA and industry standards.
- c. Provide IFB estimate of electrical quantities and prepare an estimate of construction cost for the electrical elements of the project.
- d. Update Construction Documents based on comments from SEH and DAA during the 65% and 95% review meetings as well as 95% FAA review meeting.
- e. Prepare addendums and respond to bidder's inquiries to successfully bid project.
- f. Airfield Signage – SEH to provide signage plan within civil construction drawings, BMCD to supplement signage electrical design similar to Phase 3 RW 9/27 deliverables.

#### **3. COST OF SERVICES ASSUMPTIONS/CLARIFICATIONS:**

- a. The attached spread sheet details the hours and fee proposal for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
- b. The final deliverable is complete, sealed construction drawings and specifications for bidding and construction.
- c. Project Management and Administration services are provided in this proposal.



- d. Quality Control services by a Senior Associate Electrical Engineer are provided in this proposal.
- e. Construction administration and observation services are not included in this proposal.
- f. All meetings are assumed to be via virtual teleconference, no travel is included in this proposal.

**ATTACHMENT A**  
**Duluth International Airport (DLH)**  
**Taxiway A Reconstruction, Phase 1**

**Scope of Work**

**Schedule B (FAA Ineligible Tasks)**

***Engineer's Design Report, Final Design, Plans and Specifications,  
Bidding Documents***

**General** – Schedule B reflects the same overall project description as Schedule A, but specifically focuses on the portion of the tasks that are not federally eligible, and required to complete the federally ineligible portions of work. These tasks include the design effort required to construct a ADG V/TDG-5 taxiway beyond the FAA eligible ADG III/TDG 3 taxiway dimensions.

*(The Construction Administration scope items will be included in a subsequent work order.)*

**This work scope includes:**

**Work Element 1: Project Formulation**

**Task 1.1 – Scoping, Review, and Coordination** – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard specific to additional funding.

**Task 1.2 – Project Formulation** – SEH will complete the project and grant pre-application documentation, cost breakdowns and eligibility determinations for the approved scope of work. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard specific to additional funding.

**Work Element 2: Engineer's Design Report**

**Task 2.1 – General Scope of Work** – SEH will develop a brief narrative of the work scope, delineation of eligible/ineligible work items, any unique or unusual situations, and historical background on the proposed project. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard specific to additional funding.

**Task 2.2 – Engineer's Estimate of Probable Cost** – SEH will provide an itemized summary of the engineer's estimate of probable construction costs. Any ineligible work components will be called out separately. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard.

**Task 2.3 – Preliminary Project Budget** – SEH will develop a preliminary project budget that will include anticipated engineering costs, construction costs, and administrative costs. Potential funding sources and prorations will also be included. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard.

**Work Element 3: Plan Drawings for Taxiway A Reconstruction, Phase 1**

Final design and plan drawings for Taxiway A Reconstruction, Phase 1, will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5300-13A, *Airport Design*, will be utilized in the development of the plan set. Other applicable ACs, FAA Orders, Regulations and Policy Memorandums will be used as needed. Specific tasks included with this work element include:

**Task 3.1 – Detailed Final Design** – The final design will include the design of the additional 25 feet of taxiway width and the additional 5 feet of taxiway shoulder width.

**Work Element 4: Quality Control Reviews**

**Task 4.1 – Quantity Calculations and Final Engineer's Estimate** –This task includes finalization of quantities associated with the project for use in the bid package. A final engineer's estimate using these quantities is also included. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard.

**Work Element 5: Project Management** – This task includes the overall project management of Work Elements 1 through 6 noted above. Project Management includes administration of the project, design team meetings, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

**Task 5.1 – Design Team Meetings** –This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated that there will be 12 design meetings.

**Task 5.2 – Agency Meetings** –This task includes two meetings by the design team and the 148 Fighter Wing to discuss the project design development, schedule, and any other related items.

**Task 5.3 – Overall Project Management** –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, progress reports, budget updates and monthly invoices and contract negotiation. This work is specific to the additional effort required to design and fund the increase in taxiway width, and coordination with the Air National Guard.

ATTACHMENT B  
ESTIMATED FEES AND EXPENSES  
TAXWAY A RECONSTRUCTION (PHASE 1)  
ENGINEER'S DESIGN REPORT, FINAL DESIGN, AND PLANS AND SPECIFICATIONS  
SCHEDULE A - FAA ELIGIBLE  
DULUTH INTERNATIONAL AIRPORT DLH)  
Duluth, Minnesota  
AIP No. 3-27-0024-87-21

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer	Aviation Planner	Senior Technician	Water Resources Engineer	Admin Technician
<b>Project Formulation</b>									
1.1	Scoping, Review, and Coordination	6	12	8		12			8
1.2	Project Formulation	6	16	16		16			
<b>Engineer's Design Report</b>									
2.1	General Scope of Work	2	14	4					14
2.2	Photographs		2	4		4			
2.3	Applicable AIP Standards		2	4					
2.4	Airport Operational Safety Considerations		20	20	20	8	16		
2.5	Pavement Design		20	40	20				
2.6	Drainage Design		8	16	20		40		
2.7	Airfield Lighting and Signage		4	8			16		
2.8	Navigational Aids		4	4					
2.9	Pavement Marking		4	10	16		20		
2.10	Environmental Considerations		4	4			8	16	
2.11	Existing Utilities		2	8			8		
2.12	Miscellaneous Work Items		4	4					
2.13	Life Cycle Cost Analysis		8	16	8				
2.14	Modification to AIP Design Standards		8	8		4			
2.15	AIP Non-eligible Work Items		4	4					
2.16	Disadvantaged Business Enterprise (DBE)		8	4					16
2.17	Project Schedule	2	8	8	8	4			
2.18	Engineer's Estimate of Probable Cost		7	14	14		6		
2.19	Preliminary Project Budget	2	7	14	6				
<b>Plan Drawings for Taxiway A Reconstruction, Phase 1</b>									
3.1	Environmental Coordination and Permits		8	20		16	16		8
	MPCA NPDES Permit			2			4		
	Haul Route Permit			4			4		
	City of Duluth Stormwater Permit							8	
	SWPPP		8	16			20	20	
3.2	Construction Safety and Phasing Plan		8	16	20		20		
3.3	Detailed Final Design								
	Taxiway A		38	72	70	4	70		
	Commercial Service Apron		20	40	40		80		
3.4	Construction Plan Sheets								
	Title Sheet						8		
	Construction Safety Plan		4	8	8		20		
	Construction Phasing Plans		16	20	20	16			
	Construction Staging Plan		2	4	4		16		
	Statement of Estimated Quantities		4	4	4		16		
	Details and Construction Notes		4	4			16		
	Utility Locations Plan			4	4		20		
	Typical Section(s)		4	8	12		20		
	Removal Plan		8	8	8		20		
	Erosion Control Plan and Details		2	8	8		8	24	
	Topography and Plan/Profile Drawings		8	24	32		40		
	Alignment Plan			8	8		20		
	Bituminous Jointing Plan and Details		2	4	4		8		
	Concrete Jointing Plan and Details		8	16	8		20		
	Pavement Marking Plan and Details		8	10	10		20		
	Standard Plates			4			8		
	Cross Sections			4	4		20		
	Electrical Layout and Details		4	4	4		8		
3.5	Quality Control Site Visit		12	12	12	12			
<b>Construction Bidding Documents for Taxiway A Reconstruction, Phase 1</b>									
4.1	Construction Bidding Documents		20	40	40				
4.2	Construction Management Plan (CMP)		8	10	10				
<b>FAA Construction Plans and Specifications Full Review</b>									
5.1	FAA Coordination		16	20	20	4			
5.2	Completion of Appendix 3		8	16					
5.3	Review and Address FAA Comments		16	8	8		8		
<b>Quality Control</b>									
6.1	Quantity Calculations and Final Engineer's		7	7	9		7		
6.2	Quality Control Reviews		20	20					
<b>Project Management and Meetings</b>									
7.1	Design Team Meetings		10	14	16	3	12		4
7.2	Agency Meetings		7	7		7			
7.3	Airport Authority Meetings	8	8			4			
7.4	Public Involvement Meetings and Notifications		20	20	16	8			4
7.5	Subconsultant Coordination		20	8					
7.6	Overall Project Management	15	38	8					
Total hours per labor category		41	528	716	511	122	643	68	54

**ESTIMATE OF LABOR COSTS:**

Labor Category	Hours	Rate	Extension
Principal	41	\$80.28	\$3,291.48
Project Manager	528	\$75.16	\$39,684.48
Professional Engineer	716	\$43.38	\$31,060.08
Project Engineer	511	\$32.39	\$16,551.29
Aviation Planner	122	\$68.28	\$8,330.16
Senior Technician	643	\$41.25	\$26,523.75
Water Resources Engineer	68	\$37.21	\$2,530.28
Admin Technician	54	\$29.99	\$1,619.46
Total Direct Labor Costs:	2,683		\$129,590.98
Direct Salary Costs plus Overhead (72%)			\$222,896.49
Total Labor Costs			\$352,487.47
Fixed Fee on Labor Costs (15%)			\$52,873.12

**ESTIMATE OF EXPENSES:**

Direct Expenses	Quantity	Rate	Extension
Airfield Lighting (Burns and McDonnell)	1	\$23,190.00	\$23,190.00
Computer Charge	2,683	\$3.00	\$8,049.00
Employee Mileage	1600	\$0.57	\$912.00
Reproductions / Miscellaneous	1	\$5,000.00	\$5,000.00
Total Expenses			\$37,151.00

**SUMMARY:**

Total Labor Costs + Expenses + Fixed Fee	\$442,511.59
Estimated Total	\$442,500.00

SEH

### 2020 DLH Taxiway Alpha Phase 1 - 30% to IFB Design

BURNS &amp; MCDONELL ENGINEERING FEE PROPOSAL

DECEMBER 2020

	Sr. Elec. Engr (Associate)	Project Manager	Elec. Engr. (Senior)	Sr. CADD (Staff)	Admin. Assist. (General Office)		
Task No.	Task Description					Task Hours	Task Cost
I	Design/Bidding Tasks						
Drawings	30% to IFB Technical Specifications	1	8			9	\$ 1,680.00
	30% to IFB Construction Drawings	4	20	30	4	58	\$ 9,500.00
	30% to IFB Cost Estimating/Bid Quantities	1	4	4		9	\$ 1,540.00
Meetings	(4) 1-hour internal, go-to project design teleconference meetings (virtual)		4			4	\$ 740.00
	65% and 95% Review Meetings with DAA via Go-to meeting (virtual)		2				\$ 370.00
	95% FAA Review Meeting	1	2				\$ 570.00
	Pre-bid meeting (virtual)		2				\$ 370.00
Bidding	Answer bidding questions, respond to items at pre-bid meeting	2	6	8		16	\$ 2,710.00
II	Management & Administration						
1	Project Management		8		4	12	\$ 1,980.00
2	QA / QC	4	8	8		20	\$ 3,480.00
	<b>Burns &amp; McDonnell Labor Subtotal</b>	<b>14</b>	<b>8</b>	<b>56</b>	<b>8</b>	<b>128</b>	<b>\$ 22,940.00</b>
III	Other Direct Costs						
1	Reproduction Costs						\$ 250.00
2	Shipping						\$ -
3	Travel						
	<b>Grand Total</b>						<b>\$ 23,190.00</b>

ATTACHMENT B  
ESTIMATED FEES AND EXPENSES  
TAXIWAY A RECONSTRUCTION (PHASE 1)  
ENGINEER'S DESIGN REPORT, FINAL DESIGN, AND PLANS AND SPECIFICATIONS  
SCHEDULE B - FAA INELIGIBLE  
DULUTH INTERNATIONAL AIRPORT DLH)  
Duluth, Minnesota  
AIP No. 3-27-0024-67-21

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer	Aviation Planner	Senior Technician	Water Resources Engineer	Admin Technician
<b>Project Formulation</b>									
1.1	Scoping, Review, and Coordination	2	8			8			
1.2	Project Formulation	2	4			4			
<b>Engineer's Design Report</b>									
2.1	General Scope of Work		2	4					2
2.2	Engineer's Estimate of Probable Cost		1	2	2		2		
2.3	Preliminary Project Budget		1	2	2				
<b>Plan Drawings for Taxiway A Reconstruction, Phase 1</b>									
3.1	Detailed Final Design								
	Taxiway A		4	8	10		10		
<b>Quality Control</b>									
4.1	Quantity Calculations and Final Engineer's		1	1	1		1		
<b>Project Management and Meetings</b>									
5.1	Design Team Meetings		2	2		1			1
5.2	Agency Meetings		1	1		1			
5.3	Overall Project Management	1	2						
Total hours per labor category		5	26	20	15	14	13	0	3

**ESTIMATE OF LABOR COSTS:**

Labor Category	Hours	Rate	Extension
Principal	5	\$80.28	\$401.40
Project Manager	26	\$75.16	\$1,954.16
Professional Engineer	20	\$43.38	\$867.60
Project Engineer	15	\$32.39	\$485.85
Aviation Planner	14	\$68.28	\$955.92
Senior Technician	13	\$41.25	\$536.25
Water Resources Engineer	0	\$37.21	\$0.00
Admin Technician	3	\$29.99	\$89.97
Total Direct Labor Costs:	96		\$5,291.15
Direct Salary Costs plus Overhead (72%)			\$9,100.78
<b>Total Labor Costs</b>			<b>\$14,391.93</b>
Fixed Fee on Labor Costs (15%)			\$2,158.79

**ESTIMATE OF EXPENSES:**

Direct Expenses	Quantity	Rate	Extension
Computer Charge	96	\$3.00	\$288.00
<b>Total Expenses</b>			<b>\$288.00</b>

**SUMMARY:**

Total Labor Costs + Expenses + Fixed Fee	\$16,838.72
<b>Estimated Total</b>	<b>\$16,800.00</b>



Duluth Airport Authority  
Resolution to Approve Invoice and Contract for the Replacement of Three  
(3) Terminal Boilers, Chemical Filtration, System Clean-up and Analytical  
Testing between the Duluth Airport Authority and The Jamar Company

**Terms:**

- Estimated start date of January 20, 2021
- Estimated Completion within 90 days.

**Agreement Overview:**

This invoice/contract covers the procurement, transportation, removal of old boilers, installation of new boilers/chemical filtration system, and the necessary testing/clean-up. Single quotation was provided based off exact OEM Boiler Replacement/Sole Source Manufacturer and current services contracted with The Jamar Company.

**Background:**

See attached information.

**Fiscal Impact:**

- 1) Replace 3 Boilers - \$105,250.00
- 2) Install Filtration - \$4,740.00
- 3) System Clean-up & Analytical Testing - \$9,380.00

**Total - \$119,370.00**

JANUARY 11, 2021



## DULUTH AIRPORT AUTHORITY

BOILER UPDATE

JOHN KONTNY

JAMAR COMPANY

[John.kontny@jamarcompany.us](mailto:John.kontny@jamarcompany.us)

## **Executive Summary**

### **How the Existing System Works**

The existing heating and cooling system at the main terminal is made up of two components, a geothermal system and conventional hot water boilers. Geothermal systems use energy stored in the earth. A geothermal system can actually use that energy to both heat *and* cool.

In the summer the only option is the two (2) geothermal system chillers.

In the winter the facility has two options. It can use the geothermal system to make hot water or the three (3) conventional hot water boilers, which create heat using natural gas to heat water. In both cases, heated water flows through a series of pipes that provide heat to the building.

Both options—geothermal and conventional boilers—use the same piping to carry water throughout the facility. The system carries roughly 16000 gallons of water. The “water” is actually a mixture of water and antifreeze. Certain chemicals must also be added to this water/antifreeze mixture to help protect internal system components and to optimize heat transfer.

### **Background to System’s Current State**

Normally, the boilers would be providing heat in the winter because they’re more cost effective than the geothermal system for generating heat. However, the geothermal system is in operation right now because the boilers had to be taken out of service over some boiler component integrity concerns.

These concerns came to our attention over the summer during routine preventive maintenance on the system. Specifically, our technician noticed something that didn’t look right in the #2 boiler heat exchanger. On further investigation his suspicions were confirmed as there was a corrosion leak on the heat exchanger unit, so he replaced that section of the heat exchanger.

To further investigate why the leak occurred the water mixture’s pH was tested (pH is a measure of a liquid’s acidity or alkalinity) and the corrosion coupons were evaluated. A small amount of corrosion/erosion corrosion was noticed. Moving into December the same issue surfaced on the #3 boiler and, shortly after that, on the #2 boiler.

For these reasons, the boiler was shut down completely and the geothermal system was started up to provide the heat for the terminal.

### **Investigational Summary**

The geothermal unit and boiler system share the same heat transfer fluid (the water/antifreeze/chemical mixture). Maintaining the proper chemistry of this fluid is tricky because the various metals in the system respond differently to the fluid environment they come in contact with.

Of particular importance is pH. Aluminum (the heat exchangers in the boilers) performs better in a lower pH environment (6.5-8.5 range). But carbon steel and copper (used in the geothermal and air handling systems) perform better with a higher pH(8.5-10.5 range).

The normal, ongoing testing of the system pH using a litmus type paper always indicated that the chemistry was in the correct range. However, a double-check of the pH using more sophisticated electronic measuring equipment found the pH to be running a little higher than we would like to see with the aluminum. Because of this, citric acid was added to the water mixture to bring down the pH to help create a more favorable environment for the aluminum. However, this (the citric acid addition) was done as a temporary fix to help buy time for a much deeper investigation and search for a long-term solution.

In order to get the big picture of the system chemistry we collected 16 samples from various points in the system and had them tested in the lab. We reviewed all of the lab findings with very knowledgeable water quality experts that we often work with and, based on our collective expertise, put together long-term plan. As you will see that plan includes the addition of filtration and advanced water treatment chemicals that have come on the market since the system was initially installed. That plan follows.

### **Solution**

After weighing all the facts and looking at the big picture, Jamar recommends to the Duluth Airport Authority the following plan to maximize the life expectancy, energy efficiency, and cost-effectiveness of the mechanical equipment and systems:

1. Add (2) filtration systems to the geothermal/boiler system, one on the heating side and one on the chilled water side the addition of the filtration systems further improves system efficiency and prolongs the equipment life by removing dirt, sediment, debris and reduces erosion corrosion.
2. Add a new advanced chemical additive to the existing water mixture after system filtration levels are achieved. This will clean the internal parts of the systems.
3. Add a new advanced chemical inhibitor to coat the existing system components.
4. Replace the (3) existing boiler heat exchangers with factory replacement units after the system clean-up.
5. Use new testing equipment going forward to ensure that proper levels of chemical protection to the system are maintained.



THE JAMAR COMPANY | 4701 MIKE COLALILLO DR. | DULUTH, MN 55807-2762 | PHONE 218.628.1027 | FAX 218.628.1174

January 11, 2021

Duluth Airport Authority  
4701 Grinden Drive  
Duluth, MN 55811

Attn: Mr. Mark Papko  
Proposal: 20-S-0465  
Scope: Boiler repairs  
Location: Main Terminal

The Jamar Company is pleased to provide the following proposal to perform the subject project as detailed below.

**REPAIR BOILERS OPTION 1- \$70,165.00**

1. Our proposal is based on **providing/including** the following:
  - A. Provide labor and materials to replace (2) existing heat engines for the Mach 3000 boilers supplied by the OEM (*original equipment manufacturer*)
  - B. Provide and install (2) new burners on the new heat engine's being installed
  - C. Inspection / testing / start-up
  - D. Tools and Equipment

**REPAIR BOILERS OPTION 2- \$105,250.00 (*recommended*)**

2. Our proposal is based on **providing/including** the following:
  - A. Provide labor and materials to replace (3) existing heat engines for the Mach 3000 boilers supplied by the OEM (*original equipment manufacturer*)
  - B. Provide and install (3) new burners on the new heat engine's being installed
  - C. Inspection / testing / start-up
  - D. Tools and Equipment

**INSTALL FILTRATION - \$4740.00**

3. Our proposal is based on **providing/including** the following:
  - A. Provide labor and materials to install (2) IWS 30 GPM filtration units – one on the chilled water and one on the hot water system
  - B. Provide (2) cases of filters
  - C. Inspection / testing / start-up
  - D. Tools and Equipment

**SPECIALTY CONTRACTOR SERVICES**

*Jamar is an Equal Opportunity / Affirmative Action Employer*

**SYSTEM CLEAN-UP & ANALYTICAL TESTING - \$9380.00**

4. Our proposal is based on **providing/including** the following:
  - A. Provide (1) drum of IC4777 hydronic system cleaner
  - B. Provide (1) drum of ICB-011G phosphate geothermal treatment
  - C. Provide (1) phosphate testing meter
  - D. Provide (1) conductivity & pH testing meter
  - E. Provide (1) year of lab sampling and testing with IWS
  - F. Tools and Equipment
5. Our proposal is based on **excluding** the following:
  - A. Performance or payment bonds
  - B. Temporary services including heat, water or utilities
  - C. Any other mechanical work not listed above
6. Our proposal is based on the following general **exceptions and / or clarifications**:
  - A. Proposal includes current pricing on all material and equipment. Pricing on material and equipment is valid for 15 days from the date of this proposal and must be repriced if work is extended beyond that date.
  - B. Work will be conducted between the business hours of 7:00 am and 4:30 pm, Monday through Friday excluding holidays, weekends or overtime periods.
  - C. Additional work, performed by Jamar due to changes in out-of-scope items, will be performed on a lump sum or time and material basis, at your option.
7. Our proposal does not include work with or the removal or disposal of any hazardous material. Removal and disposal of hazardous material, required to complete specified work, is a customer / owner responsibility.
8. Payment Terms: net 30 days (*note: all invoices not paid in 30 days will be charged 1½% interest per month on the unpaid balance as well as any fees incurred resulting from collection efforts*).
9. Please incorporate the above terms into all related purchase orders and/or contracts.

We appreciate the opportunity to provide pricing for this project and look forward to discussing this project further with you. If there is any other way we can be of assistance, please contact me at (218) 269-9455.

*signature on last page*

- A. Payments:** Invoices are to be rendered on a progress basis for materials delivered to the jobsite and work completed through the date. Owner agrees to pay such progress billing in full. Terms of payment are net thirty (30) days from date of invoice. Owner agrees that payment to Contractor shall not be contingent upon settlement of any insurance claim of Owner. Final payment shall be in all cases due and payable within thirty (30) days after final invoice date. For special order materials, Owner agrees to pay Contractor in accordance with any special vendor payment stipulations. All invoices not paid in 30 days will be charged 1½% interest per month on the unpaid balance as well as any fees incurred resulting from collection efforts.
- B. Default:** In case of any default by Owner, Contractor may declare the price for all unpaid installments, plus materials purchased and work performed but not invoiced, to be immediately due and payable. Default by the Owner shall consist of failure to pay any installment invoice when due, no demand necessary. A service charge will be assessed and added to the price on all payments past due and owed by the Owner under this contract at a monthly rate of 1½%, or if such rate is prohibited under applicable law, then at the maximum rate permitted under applicable law. Owner shall pay any reasonable attorney and collection fees incurred on the collection of past due accounts.
- C. Defects and Guarantees:** The Contractor agrees to make good without cost to the Owner any and all defects due to faulty workmanship for which written notice is received by Contractor within the period of one year (1) from date of substantial completion of the project.
- D. Losses:** Any loss or damage from any cause, not by the fault of the Contractor, to the materials on site or work in place shall be borne by the Owner. Owner assumes no responsibility whatsoever on account of damage to or theft of Contractor's tools and/or equipment, unless said tools and equipment are damaged or stolen by negligence of the Owner. Owner and Contractor waive claims against each other for consequential damages arising out of this Contract. Consequential damages include, but are not limited to, loss of use, income, profit, business and reputation.
- E. Changes to Scope:** Changes, alterations, and additions to the plans, specifications, schedule or scope of work described in this Contract shall be approved in writing by Contractor and Owner. For any changes to this Contract, there shall be a corresponding increase or decrease in contract price, the value of which shall be agreed upon prior to performance of said work and an equitable adjustment of time to complete, if warranted. If no agreement is reached prior to performance of additional work, and Contractor is directed by Owner to continue with said work so as to avoid delays, then price based on a time-and-material basis will be considered as accepted and payable by the Owner, and invoiced as a change to this Contract.
- F. Termination of Contract:** In the event the Contract between the Owner and the Contractor should be terminated prior to its completion, then the Owner and the Contractor agree that an equitable settlement for work performed under this agreement prior to such termination, will be handled as a Change to Scope of the Contract as provided by Paragraph E above. If no agreement is reached, through no fault of Contractor, then this Contract shall be considered in default, and shall be handled in accordance with Paragraph B.
- G. Insurance Requirements:** Contractor shall procure and maintain the following insurance limits:
- |   |   |
|---|---|
| Workers Compensation                      | Statutory Limits                                    |
| Employer's Liability including "Stop Gap" | \$1,000,000 each accident                           |
| Commercial General Liability              | \$2,000,000 each occurrence                         |
|   | \$2,000,000 products/completed operations aggregate |
|   | \$4,000,000 general aggregate (per project)         |
| Commercial Automobile Liability           | \$2,000,000 Bodily Injury and Property Damage       |
|   | Combined Single Limit                               |
- A certificate of insurance will be provided upon request. If insurance coverage is required above the levels listed above, they can be provided with additional premium costs paid for by the Owner, with a change to the Contract in accordance with Paragraph E.
- H. Indemnification:** The Contractor agrees to assume responsibility and liability, to the fullest extent permitted by law, for all damages or injury to all persons, whether employees or otherwise, and to all property, arising out of or resulting from, the execution of the work provided for in this Contract or occurring or resulting from the use by the Contractor, his agents or employees, of materials, equipment, instrumentalities or other property, whether the same be owned by the Contractor, the Subcontractor or third parties, but only to the extent caused by the negligent act or omission of the Contractor, and save harmless the Owner, his agents and employees from all such claims including, without limiting the generality of the foregoing, claims for which the Owner may be or may be claimed to be, liable, but only to the extent caused by the negligent act or omission of the Contractor, and legal fees and disbursements paid or incurred to enforce the provisions of this paragraph and the Contractor further agrees to obtain, maintain and pay for such general liability insurance coverage and endorsements as will insure the provision of this paragraph.
- I. Arbitration:** At Contractor's discretion, any disputes arising under this Contract shall be resolved by binding arbitration to be administered by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules in effect on the date of the Contract. The hearing shall be held in the jurisdiction of Duluth, MN.
- J. Entire Agreement:** This Contract represents the entire agreement of the parties and it supersedes all prior negotiations, representations or agreements, whether oral or written.
- K. Amendment:** This Contract may be amended only by a written instrument signed by both parties.
- L. Notice:** All notices required hereunder shall be in writing and deemed to have been given when delivered personally or one (1) business day after being sent by overnight carrier or three (3) business days after being sent by U.S. Mail. All notices should be sent to the addresses listed above, unless changed by written notice.

*signature on next page*



In Witness whereof, the Contractor and Owner signify their understanding and agreement with the terms hereof by signing below:

**THE JAMAR COMPANY**

Signature: 

Name: John Kontny

Its: Sr. Project Manager / Business Devl

Date: January 11, 2021

Federal Tax ID: 41-1509431  
State Tax ID: 3186956

**Duluth Airport Authority**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

The Jamar Company is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.



Duluth Airport Authority  
Resolution to approve IT Managed Service Bundle Agreement between the  
Duluth Airport Authority and The Citon Computer Corporation

**Terms:**

- Start date of January 19, 2021
- End date of January 19, 2026

**Agreement Overview:**

This agreement concludes the work of DAA staff over the past six months as they navigated through the RFQ Process. Contract is 60 months, with a reevaluation of services every 12 months.

**Background:**

Early in 2020 the DAA created a strategic initiative to improve the entire Airport IT Landscape. While delayed by the COVID pandemic, the DAA charged forward with a formal Request for Qualifications (RFQ) (attached) in the fall of 2020. Due to the unique nature of the Airport's IT needs, the DAA felt an RFQ was the right approach, selecting the firm with the most demonstrated qualifications.

The DAA received three qualified submissions in response to the IT RFQ. Due to the nature of only receiving three qualified submissions, we moved straight into firm presentations and interviews. Each of the firm's were allowed 90 minutes for a short presentation on the firm's background and offerings, moving to formal pre-written questions, and then finally an open Q & A Session. After the conclusion of all the firm's presentations the DAA's five-person panel submitted final individual scoring on a weighted basis. At the conclusion of scoring calculations, it was determined that Citon was the highest ranked firm. At this point DAA notified all firms, provided feedback, and initiated scope of work/contract discussions with Citon. See below for the timeline:

October 20<sup>th</sup>, 2020 – RFQ Posted

November 10<sup>th</sup>, 2020 – RFQ Closed – 3 Submissions Received: Citon, Compudyne, and CW Technology.

December 3<sup>rd</sup>, 2020 – Firm Presentations/Interviews

December 7<sup>th</sup>, 2020 – Firm's Weighted Score Calculated based off written response to the RFQ as well as the individual presentation/interview.

December 8<sup>th</sup>, 2020 – Scope of Work and contract creation/discussions begin with Citon

December 23<sup>rd</sup>, 2020 – Draft contract and scope received from Citon

January 5<sup>th</sup>, 2021 – Final contract documents received.

**Fiscal Impact:**

One-time start-up fee - \$8,500.00

Monthly Invoice - \$6,500.00



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**REQUEST FOR QUALIFICATIONS FOR  
INFORMATION TECHNOLOGY, SECURITY  
SYSTEMS, AND  
TELEPHONE SUPPORT SERVICES**

**Bids Due: Tuesday, November  
10th, 2020 by 4:00pm**



# DULUTH INTERNATIONAL AIRPORT

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## **I. INTRODUCTION**

In accordance with FAA Advisory Circular 150/5100-14E and the policies and procedures of the Duluth Airport Authority (DAA), notice is hereby given that a Request for Qualifications (RFQ) for professional whole-airport IT solutions at the Duluth Airport Authority (DAA). It is the intent of the DAA to select three firms to present/interview and then negotiate with one prime IT consultant for the duration of the scope of work outlined in this document.

Specific categories for airport IT consulting services include but are not limited to:

1. DAA IT Solutions on varied systems at multiple facilities
2. DAA Security and Badging Systems
3. 24/7 IT Support/Response
4. Capital IT Plan/IT Asset Management Plan

The start date for these services is estimated to start following DAA Board Approval for a term of five years.

To have a firm's response be considered for the RFQ, a firm must be experienced in providing the type of consulting services for which the SOQ is applicable. In DAA's effort to find the best possible fit for this RFQ, firms may provide all the listed services by:

- establishing a presence in the region,
- having a preexisting presence in the region, or
- subcontracting/partnering through a firm with preexisting presence in the region.

All firms are responsible for costs associated with the preparation of materials in response to this RFQ, and the DAA assumes no responsibility for any such costs.

Upon final decision of the selected firm, contract negotiations for a Professional Services Agreement will be initiated. The length of this Professional Services Agreement will be for the duration of the project (5 years). If these negotiations are unsuccessful, negotiations will be initiated with the second ranked firm.

The negotiation of follow-on contracts and associated fees shall occur at the time those services are needed for an approved and funded work scope related to this project. If a price cannot be agreed upon between the DAA and the selected firm during negotiations for each





## **DULUTH INTERNATIONAL AIRPORT**

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individual project contract, then the DAA reserves the right to terminate negotiations and initiate a new procurement action.

Understanding the diversity of professional disciplines required to provide all of the above services, and to allow for the maximum participation of DBE's, additional sub consultants may be proposed, for approval by airport management, as needed. It is the policy of the DAA that Disadvantaged Business Enterprises (DBEs) shall have the maximum opportunity to participate in the performance of contracts financed in whole or part with federal funds. All firms providing professional services for the DAA shall take all necessary and reasonable steps in accordance with 49 CFR, Part 23, to ensure that DBEs have the maximum opportunity to compete for and perform contracts without discrimination on the basis of race, creed, color, national origin, handicap, or gender.

### **II. GENERAL SCOPE OF WORK**

The Duluth Airport Authority offices are located at 4701 Grinden Drive, Duluth, MN as well as several satellite locations on/around the airport. The main administration office is in the passenger terminal building with additional offices located in Snow Removal Equipment Building (SRE) and at Sky Harbor Airport (KDYT).

The nature of the solicited IT services will be ongoing support and coordination with the in-house Public Safety Manager working closely with a variety of airport staff, providing support as needed or instructed.

The successful bidder will provide professional IT services on an as-needed basis, primarily during the normal business hours of 8:00am – 4:30pm, Monday – Friday. These services may be performed remotely or on-site. It is also required that the successful bidder is available 24 hours a day, seven days a week, including holidays.

The required 24/7 support is best described as general help desk support for systems and equipment that are critical to airport operations. Services include but are not limited to the following: administrating network users and passwords, managing remote connections, troubleshooting, and repairing switches, servers, PA systems and internet connections (including secure and public Wi-Fi networks). Additional required services are troubleshooting and repairing emergency alert systems and the security network to include cameras, servers, remote access connections, security workstations, DVR equipment, and responding to cyber security threats. Many of the systems operated at the DAA are unique and present additional challenges. It is the responsibility of the



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successful bidder to become competent in each of the systems. The DAA expects the successful bidder to work directly with any of our system providers to come up with a collaborative solution.

The response times to service calls/tickets should be based on their priority. The airport requires the following minimum response times regardless of the time of day:

Critical Priority – 15 minutes for remote service, 30 minutes for onsite support

High Priority – 1 hour

Medium Priority – 4 hours

Low Priority – 8 hours unless directed otherwise by the airport

It is the responsibility of the successful bidder to ensure compliance with Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) rules and regulations. The successful bidder is required to have staff assigned to the airport to obtain and maintain security access media.

### **III. BACKGROUND INFORMATION**

The Duluth Airport Authority's IT infrastructure includes, but is not limited to the following:

- **Workstations**
  - 21 desktop workstations
  - 2 Security workstation
  - 1 HVAC workstation
- **Portable**
  - 14 laptop computers
  - 2 Microsoft Surfaces
- **Servers**
  - 7 Dell Servers
  - 6 HP Servers
  - 2 Amer Dyn Servers





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- **Switching/Firewalls**
  - 14 Juniper Switches
  - 1 Allied Telesis Switch
  - 1 HP Switch
  - 2 Juniper Firewalls
  - 1 Watchguard Firewall
- **Power Hardware/Backup**
  - 5 Baytech Power Distribution Units (PDU)
  - 1 Tripp Lite Power Distribution Unit (PDU)
  - 9 Emerson/Liebert Uninterruptible Power Supplies (UPS)
- **Internet**
  - Dedicated internet access currently provided by Compudyne, Inc., AirFiber, and Century Link
  - One static IP address
- **Wireless**
  - 1 Ubiquiti Rocket Wireless Base Station
  - 2 Siklu Wireless Antennas
  - 1 SAF Outdoor Antenna/Receiver
  - 10 Ubiquiti Wireless Access Points
  - 2 MikroTik Routers
  - 1 Cisco Router
- **Telephone/Paging**
  - Managed Voice over Internet Protocol (VOIP) service. Dedicated data line, switching services and customer support are currently provided by Nextera.
  - Crash line interface between control tower, on-site ARFF facility and administrative offices
  - Terminal-wide paging system maintained by the Electronic Design Company
- **Security**
  - Video surveillance system controlling and monitoring 80-100 cameras in and around the terminal environment
  - Electronic door and gate monitoring and alarm system



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- Breach Control System (secure side exit hallway)
- CCURE 9000 badging system
- **Printers**
  - 1 large Ricoh multifunction network printer/copier contract with Metro Sales
  - 1 large HP multifunction network printer/copier
  - 2 desktop color HP LaserJet printers
  - 1 desktop black/white HP LaserJet printer
  - 1 Fargo ID printer
  - 2 Other desktop printer/Scanner/Fax/Copier
  - NeoPost Postage Mater
- **Email**
  - Currently using Microsoft Exchange
  - Spam and virus filtering being provided by Compudyne
- **Software**
  - Microsoft Office 365
  - Adobe Acrobat DC Pro
  - CCURE 9000 Security Software
  - Other Miscellaneous Software Platforms/Programs

#### **IV. CONTRACT TERM**

The term of the contract will commence following board approval and the Notice of Award. The term shall be for five (5) years, subject to annual appropriations. The Notice of Award is expected to be given in December of 2020.

#### **V. SERVICES REQUIRED**

The following details the required recurring services (**Monthly Maintenance Package**) to be provided to the Duluth Airport Authority:

##### **1. Workstation/Device Support**

The successful bidder shall perform basic support functions including installing and configuring PCs, laptops, smartphones, tablets, printers, and peripheral devices for



standard applications. Additional requirements are diagnosing and correcting application issues on the devices, identifying and correcting end user hardware problems, and performing advanced troubleshooting. The support function shall also include assisting the Duluth International Airport with procurement of new equipment which may entail developing minimum specifications for each equipment type for the purpose of a formal bidding process, providing suggestions on hardware and software upgrades, and purchasing equipment on behalf of the Duluth International Airport as directed.

**2. Specialized Support**

The successful bidder shall manage updates to specialized software programs such as, but not limited to CCURE 9000 Security Software. This management will also include troubleshooting issues related to the network and connectivity of the software and coordinating with software vendors and affected staff to resolve issues.

**3. Internet and Email Services**

The successful bidder shall provide and support both internet and email services for the Duluth Airport Authority. DAA secure Wi-Fi and complementary Wi-Fi access in the passenger terminal building, SRE, and at Sky Harbor airport must also be included in the monthly maintenance package.

**4. Server Administration Services**

The successful bidder shall manage the computer systems and networks owned and/or leased by the Duluth Airport Authority. This shall include airport servers and associated hardware and systems necessary for ensuring quality, security performance, availability, recoverability, and reliability of the system. The successful bidder must also ensure that scheduled preventative maintenance for equipment is properly and promptly performed and maintain the maintenance records of the equipment. It is also required that the successful bidder set up new users, edit users as directed by the airport's IT representative, manage user logins and user security. All servers must be monitored for both performance and capacity issues whereas corrective actions and/or recommendations can be made. It is also the successful bidder's responsibility to manage the configuration of the servers which includes changes, upgrades, patches, etc.

**5. Network Administration Services**



The scope of activity shall be comprised of all Duluth Airport Authority network equipment which includes switches, firewalls, routers, and other security devices. Also included shall be primary installation and maintenance of all printers, networked copiers/scanners, etc. Primary maintenance shall include regular analysis, routine configuration changes, and the installation of patches and upgrades, in addition to complete proactive monitoring of network equipment, including bandwidth utilization and other performance indicators, network performance and capacity management services, and network troubleshooting. The successful bidder must also monitor the network 24 hours a day, seven days a week and have the means to be sent alert notifications for critical system failures which require immediate attention and/or repair.

**6. Cyber Security**

Provide, host, and maintain virus protection for Duluth Airport Authority servers, email, desktop computers, laptop computers and mobile devices. The successful bidder shall also coordinate third party network penetration testing and email security campaigns such as testing user vulnerability to phishing and malware attacks at the direction of the airport.

**7. Telephone**

The successful bidder shall maintain the current VOIP phone system and associated hardware, re-assign/reprogram phones as necessary, coordinate changes to phone service with provider, and diagnose and correct problems with the system.

At this time, the switching components for the Duluth Airport Authority's phone system are owned and maintained by the VOIP provider (Nextera). Alternate phone systems may be proposed but it is not preferred by the Airport at this time due in part to the extra costs associated with the acquisition of new phones.

The Airport's Public Address System (PA) used in the passenger terminal building and the emergency alert system used by the Air Traffic Control Tower (ATC) and Aircraft Rescue & Fire Fighting (ARFF) shall be maintained, diagnosed, and repaired as needed.

**8. Planning**

The successful bidder must provide suggestions to the Duluth Airport Authority for major system enhancements which may include installations and upgrades of both





## **DULUTH INTERNATIONAL AIRPORT**

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new and existing equipment. This shall also include assisting the Duluth Airport Authority with writing equipment specifications for equipment purchases and providing an IT Asset Management Plan/IT Capital Plan. Guidance and support with seeking out any additional funding opportunities to successfully execute the IT Capital Plan.

### **9. Electronic Recycling**

The successful bidder must provide a recycling service as part of a monthly maintenance package. All items being recycled must have been authorized for disposal in accordance with the Duluth Airport Authority's disposal policy and must be disposed of legally in accordance with both State and Federal guidelines.

The following are short term and/or one-time required services to be provided to the Duluth Airport Authority:

#### **1. Purchasing**

The Duluth Airport Authority reserves the right to acquire IT equipment, hardware, software, and associated items from sources other than the successful bidder. All purchases must abide by the Duluth Airport Authority's purchasing guidelines. For all acquisitions over \$5,000.00, multiple quotes shall be solicited for the purchase if possible. All purchases over \$50,000.00 must be approved by the Board of Directors and undergo a formal bidding process as outlined in the Duluth Airport Authority's approved procurement policy.

#### **2. Network Consultation and Design Services**

The successful bidder may be asked to provide network consultation and design services for new construction projects. These services must not be accounted for in a monthly recurring rate, but in a per hour rate that is mutually agreed upon per project.

#### **3. Cyber Insurance**

The successful bidder must help educate and direct the DAA to procure additional cyber insurance.

#### **4. Third-Party Independent Audit**



The successful bidder from time-to-time may be asked to help procure third-party independent audit of our IT system.

**5. Other duties as required**

The landscape of the DAA's IT Infrastructure will inevitably change over the course of the contract. DAA expects the successful bidder to be able to adapt and take on new responsibilities as they are acquired.

**VI. STATEMENT OF QUALIFICATIONS**

Generally, the format for the SOQ shall be as follows:

**1. Executive Summary**

**2. Letter of Transmittal**

This letter should contain the following:

- a) Company name, address, and contact number(s).
- b) Contact information for the person(s) authorized to represent the submitting firm and to whom correspondence should be directed.
- c) A brief statement as to your understanding of the services to be performed as part of a monthly maintenance package as well as your understanding of temporary and one-time required services.
- d) A brief statement as to your understanding of the requirements to obtain and maintain security access media for onsite work.
- e) The letter must be signed by a person within the firm having the authority to legally bind the submitting firm's letter of transmittal and proposal to a contract should their firm be chosen as the successful bidder.

**3. General Bidder Information**

- a) Length of time your firm has been in business
- b) Length of time your firm has been providing the proposed services
- c) Total number of clients that your firm currently supports
  - i. Total number of public sector clients that your firm currently supports
  - ii. Total number of clients supported in Minnesota
  - iii. Total number of airport clients your firm currently supports



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- iv. Total number of clients that are of similar size to the Duluth Airport Authority with similar complexities
- d) Number of full-time personnel in:
  - i. Consulting
  - ii. Installation
  - iii. Administrative support
- e) Number of part-time personnel in:
  - i. Consulting
  - ii. Installation
  - iii. Administrative support

#### **4. Service Approach and Methodology**

Describe your approach to providing all the services that have been identified in this RFQ and your methodology for providing on-going support.

#### **5. Staff Resources**

Include brief resumes of key staff that will be available to provide the required services as listed in the RFQ. These resumes should emphasize the employee's experience and technological expertise. A statement listing the availability of the key staff members shall also be included as well as any primary backup resources.

#### **6. Support Services**

Please answer the following questions:

- a. Do you have staff located in Duluth, MN?
- b. Does your firm offer help desk support? If so, when is the help desk available?
- c. List the means of contacting your firm for support outside of normal business hours.
- d. List your guaranteed response times for both regular hour and after hour emergency responses to the Duluth Airport Authority.
- e. How are tickets/work orders prioritized?
- f. Do you currently have an automated means to escalate tickets/work orders?

#### **7. Terminated Contracts**

In the event that your company has had a contract terminated for default during





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the past five years, all such incidents must be listed. The definition of termination for default is defined as notice to stop work due to the vendor's nonperformance and/or poor performance *and* the issue was either not litigated, or was litigated and such litigation determined the vendor to be in default. If no such termination for default has occurred in the past five years, the bidder must declare this as well.

### **8. Trade References**

A minimum of three trade references for clients of similar size with similar requirements for whom your company has performed like services must be provided. A statement authorizing the Duluth Airport Authority to contact the listed references must accompany the list.

### **9. Subcontracting**

Services listed in this RFQ may be subcontracted out to another organization, firm or individual with written approval from the Duluth Airport Authority. The written approval of subcontractors will only be needed and given to the successful firm. In the event that a subcontractor is approved by the Duluth Airport Authority, the contracted IT firm will be held responsible for all work and services provided by the subcontractor.

### **10. Proposal Summary**

Each bidder shall submit a summary of their proposal and their firm's qualifications. Additionally, you may choose to explain why your firm is pursuing the work listed in this RFQ and how uniquely qualified your firm is to perform such work. The proposal summary shall not exceed three pages.

### **11. Litigation Disclosure Form**

A Litigation Disclosure Form has been included in this RFQ which must be completed and submitted as part of your submittal package.

### **12. Conflict of Interest Form**

A Conflict of Interest Form has been included in this RFQ which must be completed and submitted as part of your submittal package.

## **VII. INQUIRIES**



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All RFQ questions must be submitted in writing no later than 4:00 on Wednesday, October 28<sup>th</sup>, 2020. Questions must be emailed to [mpapko@duluthairport.com](mailto:mpapko@duluthairport.com). Please be sure to put "2020 DAA IT, Security Systems and Telephone Services RFQ" in the subject line. Any question submitted after this date will not be answered.

### VIII. DEADLINE FOR SUBMITTALS

The following is required for each submitted proposal:

1. Six hard copies of the proposal signed in blue ink.
2. One digital copy of the proposal in PDF format on a flash drive.
3. Completed Litigation Disclosure Form
4. Completed Conflict of Interest Form

Any RFQ submittal not received by the deadline will not be considered. **All Proposals are due Tuesday, November 10<sup>th</sup>, 2020 by 4:00 p.m. (CDT).** Proposals must be mailed to:

Duluth Airport Authority  
Attn: Mark Papko  
4701 Grinden Drive  
Duluth, MN 55811

All proposals must be sealed and clearly labeled "DAA Airport IT Services SOQ".  
**Electronic submittals will not be accepted.**

### IX. EVALUATION CRITERIA AND PROCESS

Duluth Airport Authority staff will review and score each proposal independently. Each proposal will receive a numerical rating prior to staff meeting to discuss, evaluate, and agreeing on the top three ranked firms. The DAA expects each of the top firms to be available to make a presentation/interview to the DAA shortly after notification. Proposals that fail to comply with any part of the RFQ may be viewed as non-responsive and therefore may be rejected.

Staff will conduct an evaluation of qualifications and will rate each submittal based upon the following Criteria:



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Evaluation Criteria	Definition	Weight %
Capability to perform all aspects of the project and recent experience in airport projects comparable to the proposed scope.	Articulate the firm's capabilities in successfully completing an IT project of the type being sought. Summarize recent experience in comparable projects.	20%
Key personnel's professional qualifications, experience, and availability for the proposed project; reputation and professional integrity and competence.	List key project personnel's professional background, qualifications, experience, and workload.	25%
Quality of projects previously undertaken and capability to complete projects without having major cost escalations or operational shutdowns. Capability to meet schedules or deadlines.	Demonstrate the firm's ability to provide a completed project, like the one being sought, on time and on budget; capabilities to meet deadlines.	15%
Qualifications and experience of firm's ability and background with Airport IT Security and Badging Systems.	Articulate related experience and qualifications specific to dealings with Airport IT Security and Badging System software, regulations, and compliance.	15%
Degree of interest shown in undertaking the project and the project team's familiarity with and proximity to the geographic location of the project. Demonstrated understanding of the project's potential challenges and the sponsor's special concerns.	Articulate the project team's familiarity with the DAA the necessity of the project being sought. The firm should give the evaluation team a sense for the project team's proximity to the project site and how geographic distances will be overcome in providing a good level of responsiveness and keep project costs in check. Lastly, demonstrate an understanding of specific project challenges and summarize possible solutions.	10%
Firm's ability to provide timely customer service and 24/7 response to critical IT infrastructure needs.	Firm's history and experience of performance in meeting critical customers' needs in a timely manner.	15%

### X. MISCELLANEOUS

The Duluth Airport Authority reserves the right to reject any and all proposals for failure to meet the requirements outlined within this RFQ, to waive any technicalities, and to select the proposal which, in the Authority's sole judgment, best meets the needs of the Duluth Airport Authority for IT services.

The RFQ creates no legal obligation on the part of the Duluth Airport Authority to award a contract or to compensate the proposer/bidder for any costs incurred while creating or



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presenting their proposal. The Duluth Airport Authority reserves the right to award a contract based upon proposals received without further discussion.

All proposers/bidders are hereby notified that all submittals during this process may be subject to the State Open Records Law. The Duluth Airport Authority will notify any of the firms that have submitted if their proposal has been requested through this process.

The Duluth Airport Authority will select the proposal which is most qualified to provide the required services and which will achieve the overall objectives of this RFQ.





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### **LITIGATION DISCLOSURE FORM**

Respond to each of the questions below by checking the appropriate box. Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Yes \_\_\_ No \_\_\_

Have you or any member of your Firm or Team to be assigned to this engagement been terminated (for cause or otherwise) from any work being performed for the Duluth Airport Authority or any other Federal, State or Local Government, or Private Entity?

Yes \_\_\_ No \_\_\_

Have you or any member of your Firm or Team to be assigned to this engagement been involved in any claim or litigation with the Duluth Airport Authority or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Yes \_\_\_ No \_\_\_

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.



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## **CONFLICT OF INTEREST FORM**

The Duluth Airport Authority prohibits any business entity or person to be awarded a contract if they have an "Organizational Conflict of Interest" with regard to this solicitation and the resulting contract.

An Organizational Conflict of Interest exists when a person or business entity has an unfair competitive advantage because of other activities or relationships with other persons. No person or business entity who was engaged by the Duluth Airport Authority in preparing the original Request for Proposal solicitation or who had access prior to the solicitation to procurement sensitive information related to this procurement including but not limited to Requirements, Statements of Work, or Evaluation Criteria will be eligible to directly submit or participate in the submittal of a proposal for this solicitation. The Duluth Airport Authority considers this an Organizational Conflict of Interest. For purposes of this solicitation, organizational conflict of interest means that because of other activities or relationships with other persons, a person or business entity has an unfair competitive advantage. All Respondents who wish to participate in this solicitation must certify that no organizational conflict of interest exists by completing and signing this certification.

### **Organizational Conflicts of Interest Prohibition and Non-Conflict Certification**

The Respondent warrants that, to the best of his/her/its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances, which could give rise to organizational conflicts of interest. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Duluth Airport Authority, which must include a description of the action, which the successful Respondent has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the Duluth Airport Authority may, at its discretion, cancel the contract award. In the event the successful responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict, the Duluth Airport Authority may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime Contractor, and the terms "contract," "Contractor," and "contracting officer" modified appropriately to preserve the State of Minnesota's rights.

The undersigned on behalf of the Respondent hereby certifies that the information contained in this certification is accurate, complete, and current.



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Signature and date

---

Typed or Printed Name

---

Title

---

Company Name and Address

### **AIRPORT SECURITY ACCESS MEDIA**

Applications for badging can be obtained from the Airport Public Safety Manager. Background checks are required prior to receiving security training, so allow three weeks after submitting badging applications for the completion of background checks. The successful bidder will be notified when the background checks are complete and can then schedule security training classes. The successful bidder shall contact the Public Safety Manager, a minimum of 48 hours in advance to schedule training class for the select IT personnel.

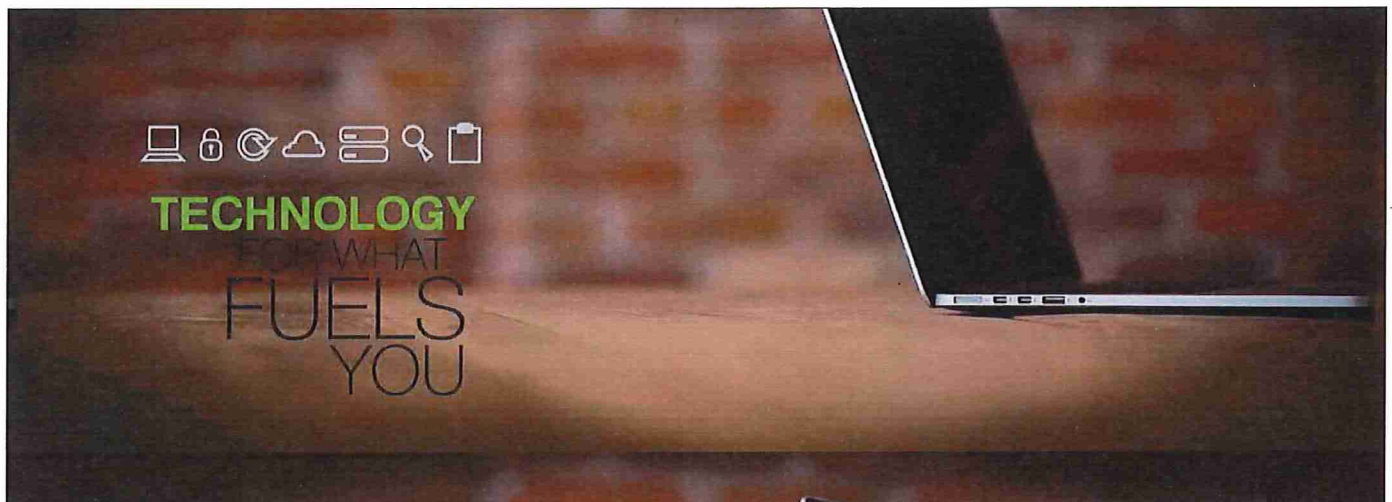
Please visit [https:// https://duluthairport.com/about/procedures-and-policies/badging/](https://duluthairport.com/about/procedures-and-policies/badging/) for more information regarding security badging requirements including a list of disqualifying offenses.





**Citon Computer Corporation**  
**Managed Service Bundle Agreement Implementation**

**Statement of Work**



Prepared For:  
Duluth Airport Authority  
Mark Papko  
mpapko@duluthairport.com

Prepared By:  
Carter Nelson  
Carter.Nelson@citon.com  
218-740-2848  
January 19, 2021



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## EXECUTIVE SUMMARY

Thank you for working with Citon Computer Corp as your technology partner. At Citon, our mission is to help you achieve your organization goals by aligning your organization requirements with your technology. This is not your average technology, this is “tech” that is designed from the ground up to transform the way you run your organization. We believe this transformation starts with a strategy focused on operational efficiency and risk mitigation, and we believe our solutions will help you on that path.

We welcome you to our project implementation services and look forward to working with you and your organization. Our project managers will oversee the project from the time you accept our proposal until each item outlined in the solution has been implemented. Their job is to provide consistent communication about the status of the project and keep the project moving forward within the agreed upon timeline. If a third party vendor is involved our project managers will coordinate the work they do so you don't have to.

After we have received your acceptance of our proposal you will be contacted by a member of our project management team. They will work with you to develop a timeline for the project, write an implementation plan for your review and will schedule an internal kick-off meeting to initiate the project.

Once the cutover has been completed, Citon's assurance period will begin. Your project manager will close the project and for 30 days after the cutover Citon engineers will make any adjustments necessary for work that falls within the scope of the project. You will be provided with a specific email address for your Citon support team so that when you need help, your Citon support team is contacted right away.

By choosing to work with Citon, you are agreeing to the terms and conditions outlined in the scope of the project. We understand that changes can happen in IT and we are happy to accommodate changes to the deliverables with a change request approved by both you and Citon.



## INTRODUCTION AND BACKGROUND

The Duluth Airport Authority is looking for whole-airport IT solutions and support coordinated with both Duluth Airport Authority staff, and various third party vendors and agencies. Citon will provide a holistic approach to IT management, support, governance and strategy, along with single point of contact and escalation for all airport technology systems.

Citon will provide a full suite of tools to monitor, manage, report and protect the Airport, along with standard maintenance and support, third party vendor coordination and management, extensive documentation and reporting, and multiple security services as outlined in the Managed Service Bundle Agreement.

As part of the launch of managed services with Citon, engineers will conduct on-site visits to each location covered under the agreement. Engineers will complete documentation including configuration records that detail credentials and configurations of key equipment. They will also take photos of network and server equipment and install Aegis + Patching with N2 Smart Patch, implement Enhanced Network Monitoring, and implement a network discovery and asset inventory tool called Ordr. These tools will provide Microsoft critical and important patches/updates, patching to many but not all 3<sup>rd</sup> party software applications and monitoring/alerting on workstation and servers. Enhanced network monitoring will include the installation of our monitoring, alerting, reporting and configuration backup tool on core switches, hosts and firewalls. This monitoring will provide alerts and reporting to Citon engineers to proactively identify issues. Implementation of Ordr will allow for discovery of any connected device on the network. This will provide extremely useful information to the Duluth Airport Authority not only in the complete asset inventory, but also in identifying unknown devices and potential security risks in the environment.

Upon completion of the on-site documentation and tool installation, Citon engineers will complete detailed configuration records and network diagrams of the Airport's environment. The primary deployment engineer will then provide training to the entire Citon engineering team on all aspects of IT for the Airport.

Citon will utilize a full featured Customer Relationship Management (CRM) solution, with dedicated service boards, dashboards, SLA reporting and alerting, reporting and workflow customized for the Airport Authority.

End users have the ability to initiate a help desk request by phone, e-mail, or web portal (if desired) with ticket numbers assigned immediately. A dedicated phone number for the Airport will connect users directly to a Network Operations Center (NOC) engineer during business hours, and an on-call engineer after-hours. Documentation will be provided to the Airport Authority with instructions for staff members to obtain support. Customer satisfaction is closely tracked using a one question survey sent by email at the completion of each service ticket.

Citon engineers will compile monthly reports that will be provided to the Duluth Airport Authority. These reports include items such as customer satisfaction, patch health, anti-virus health and a health check summary. A customer dashboard will be provided to key Airport Authority staff to view near real-time statistics on service tickets, response times, asset inventory, end user satisfaction and more.





## HOW DOES THIS WORK?

We are true believers in “plan the work then work the plan.” and our process at Citon has been designed to make the experience as smooth as possible. Our job is to work closely with you throughout the project with key input and information from you throughout the process. Our metrics and experience tell us time and again that a successful project depends on clear communication of accurate data. Here is an overview of how this process works, and what you should expect:

- Everything starts when we receive your signed documents (Proposal, Agreement, and Statement of Work).
- We will assign a project manager who will be your central point of contact throughout the entire project.
- The project manager will contact you to introduce themselves and outline the next steps.
- We will assemble our implementation team and an internal “kickoff” meeting will be held to discuss the details of the project scope, dependencies, and initial timelines.
- We will then contact you for a project kickoff – either via conference call or in-person meeting. We will review the project implementation plan, discuss the process in detail, review and agree to timelines, and finalize the next steps. We will go provide a list of pre-assessment questions and discuss any potential roadblocks, such as shipping delays, third party vendor delays, or circumstances outside of our control.
- Our engineering team will perform an in-depth discovery and documentation of your IT infrastructure, procedures and policies. It is imperative they have complete access to your infrastructure throughout the process.



## SCOPE OF WORK

1. Project Management:
  - a. Project Kickoff meeting to obtain high-level overview of project, discuss timelines and review overall plans.
  - b. Project Management and Coordination throughout project.
2. In House Tool and Systems Configuration
  - a. Configure DAA in Citon's Aegis + Patching system.
  - b. Configure DAA in enhanced network monitoring system
  - c. Configure Ordr device for on-site deployment.
  - d. Configure Anti-Virus and Anti-ransomware in support console and create installer.
  - e. Configure DAA in CRM, setup end users, connect to monitoring and altering tools, and configure system to receive email support requests.
  - f. Setup and configure end user satisfaction surveys and tie to CRM system.
  - g. Setup and configure custom DAA dashboard and automated reporting tools.
  - h. Prepare documentation for staff to request support.
3. On-Site Tool Deployment
  - a. Install Aegis + Patching on all servers and workstations.
  - b. Deploy enhanced network monitoring.
  - c. Deploy Ordr device and initiate data capture.
  - d. Install Anti-Virus/Anti-Ransomware on all workstations and servers.
  - e. Gather configuration information, including passwords and account information and begin configuration record creation.
  - f. Run initial reports on network and device health to provide to DAA.
4. Implementation of Managed Services
  - a. Citon Lead engineering resources (estimated as Engineering Manager, 1 network engineer and 1 helpdesk engineer) on-site for discovery and cross training meet key members of DAA team.
  - b. Citon lead engineers will create internal documentation such as config records, network diagrams, call flow and scope, then train Help Desk and Engineering teams on DAA environment and Help Desk support procedures.
  - c. Prior to support live date, Citon will provide documentation for support requests to DAA leadership for dissemination to staff.
  - d. At agreed upon date/time, Citon Help Desk will begin receiving, triaging and resolving support requests.



5. Migration Services: Included in this Statement of Work is migration of current SPAM filtering from existing provider (Compudyne) to Citon's cloud SPAM filtering provider.
  - a. Provision tenant and setup/registration of users
  - b. Importing of allow list / block list (if available from previous provider), setup of rules.
  - c. Initial training and monitoring of spam levels
  - d. Coordination of MX record change
  - e. Post cutover support
6. Establish third party vendor relationships. Citon will contact all third party vendors listed in the Extended Equipment and Services section of the Agreement to confirm current contracts and secure proposals if none are in place, and to establish and document relationships, contact numbers, and support protocols.
7. Setup meeting, on-site and review schedule:
  - a. Setup initial weekly team check-in meeting between Airport and Citon staff. Meeting is expected to be weekly for first 6-8 weeks, then back down to every other week and eventually monthly. Actual schedule will be based on how implementation is going, current project load, and to meet the needs of the Airport.
  - b. Setup initial regularly scheduled on-site time. It is expected that in the initial months of the agreement, regular weekly on-site time will be required for continued discovery, end user support, and work on small projects that can be accomplished within the covered Moves, Adds and Changes. This regularly scheduled on-site time is expected to reduce as the Airport stability, performance, security, automation and usability increase and will eventually reach a mutually agreed upon schedule.
  - c. Schedule 6 month and 12 month contract reviews. In addition to the vCIO services and process outlined in the Managed Service Bundle Agreement, Citon would like to conduct a 6 month and 12 month contract review, including service, SLAs, projects, etc.
8. Begin small Moves, Adds, and Changes (MAC) projects and plan out of scope larger projects.
  - a. Work with DAA team to identify, quote, prioritize and plan larger, out of scope projects. Anticipated initial projects include:
    - i. Implementation of new backup and disaster recovery solutions for IT infrastructure, as well as security camera and badging data.
    - ii. Implementation of new firewall
    - iii. Upgrade plan for all Windows 7 and Server 2008 devices
    - iv. Migration of corporate email to O365 and implementation of O365 data backup services.





- b. Work with DAA team to identify, prioritize, plan and schedule small projects that can be covered under the small MACs provisions of the Agreement. Anticipated projects include (but not limited to) include:
    - i. Review of Amatuzio conference room connectivity and functionality to reduce complexity and increase ease of use. Look at solutions for camera and microphone.
    - ii. Implementation of multi-factor authentication for remote access and cloud services (some of this will be dependent on new firewall solution).
    - iii. Discuss and develop data retention policies for both server and computer systems, as well as card access logs and security camera footage, and spec out solutions and budget to meet desired timelines.
    - iv. Review security/motion sensor camera along with security requirements and goals of the one-way secure area tunnel and develop solutions to resolve false alarms.
    - v. Resolve inability to extend display to mounted TV in Executive Director and Director of Operations offices.
9. 30 Day Assurance Period
- a. After the implementation date, any changes required that fall under the original scope of work will be performed at no additional charge.



## OUT OF SCOPE WORK

IT is a complicated field. We recommend the best solutions for each of our customers but we don't always know what we will find during the project. An implementation can be like construction; we can remove the wall but we can't always see what is behind the wall until it is removed. When we find something unexpected we will happily address the issue by submitting a change order to you for approval.

So what is considered to be out of scope of a project? Here are a few examples:

- Problems encountered with the work performed by a third party vendor (such as a software company, phone company, etc).
- Cabling that needs to be run from the building demarc to office, or from the server location to the desktops.
- If it is found that a particular software package is not compatible with the solution deployed, or there are problems getting the software to work with this solution.
- Resolution of server, network or other infrastructure equipment or systems not covered by the Support Agreement.

When these issues are encountered we will communicate the issue to you and send you a change order. The change order will outline the work that needs to be completed and an estimate of the cost so you can review and approve the work before any additional costs are incurred.



## PROJECT FAQs

This may be the first IT project you have done, or you may be an IT project pro and just wonder how Citon does things. Below is a list of frequently asked questions. If you have a question that isn't listed, please contact your project manager!

- **Are the dates in the project implementation plan set in stone?**
  - No. Dates may need to be adjusted based on things like the estimated equipment arrival, availability of the best suited engineer for the project and the best dates for implementation for you. Your project manager will work with you on the timeline throughout the project.
- **If I have issues or questions during the project, who do I contact?**
  - Your project manager is your point of contact throughout the entire project. Upon completion of the project you will be given a resource document that contains contact information for future service.
- **Will downtime be required?**
  - Downtime is dependent upon the project. Server upgrades and replacement are examples of projects that will require the reboot of a server. This may cause a short disruption that will be coordinated between you and your project manager to ensure this happens at the best time for your organization.
- **Will all of the work be done on-site?**
  - No. Much of the work we do is able to be done remotely. This allows our engineers to minimize the disruption to your staff. Establishing a remote connection also eases access for any work that may need to be done in the future. When they do need to go on-site your project manager will coordinate the appointment with you.
- **Will I only work with one engineer throughout the course of the project?**
  - Perhaps. We often have a primary engineer for the project however additional engineers may be utilized depending on the project and the expertise required for your solution; we will assign the best resources for your project. We believe in a team approach, placing value in having multiple engineers familiar with your organization.
- **What will we need to do to prepare for the project?**
  - Your project manager may send you documents to review or complete as we gather information. We will need you to communicate with your staff when downtime may occur or when our engineers will be on-site.
- **When will I be invoiced for the project?**
  - Your project manager will invoice any hardware for the project right away. Order of a certain size may require a down payment. The professional services for the project will be invoiced upon project completion or may be invoiced in phases for longer duration projects.



- **What happens after the project cutover?**
  - Once the cutover has occurred, the Citon assurance period will begin. This assurance period is there to address any additional adjustments you need that fall within the scope of the project. For example, it is common to need additional websites allowed or ports opened after a new firewall implementation.
- **Who do I contact for support or ongoing needs after the project?**
  - You will be provided with an email address that is specific for your company. When you send an email to that address, your Citon support team will receive it and will triage the need appropriately. This address should be used beginning shortly after the cutover and your project manager will facilitate this change. You don't need to worry about who specifically needs the email; we will make sure it gets to the right person!

## PROJECT ASSUMPTIONS/CLIENT RESPONSIBILITIES

1. Client is responsible for backup of data, programs or customer programming, scripts or applications installed and maintained on all collocated equipment.
2. Client is responsible for management of all equipment within cabinet.
3. See full collocation agreement for all specifications and requirements.
4. Configuration, routing, turn-up and testing of network connectivity at individual sites is available out of the scope of this proposal. Any items not detailed under deliverables will be considered out of scope and will be invoiced separately on a time and materials basis.
5. Prices quoted are for standard business hours. If any of the work is to be done after hours, standard after hours rates will apply.
6. A final plan will be agreed upon by both parties including, but not limited to: Date, time, tolerance of downtime, roles and fallback plan.
7. Citon will have full, administrative access to existing servers or applications necessary to conduct implementation.
8. By accepting this Statement of Work Customer agrees to Citon's Standard Terms and Conditions available at [www.citon.com](http://www.citon.com)





## PROPOSAL ACCEPTANCE

By signing below, I acknowledge that I have read and understand this Statement of Work. Citon Standard Terms and Conditions are incorporated herein, and together with the Citon Solutions Summary constitute the entire Agreement between Citon and Customer for the work to be performed. Citon's work will begin when signed Solution Summary and Statement of Work have been received.

---

SIGNATURE

---

PRINTED NAME

---

TITLE

---

DATE

## MANAGED SERVICE BUNDLE AGREEMENT



This Managed Service Bundle Agreement ("Agreement") is made by and between The Citon Computer Corporation, a Minnesota corporation ("Citon") and the Duluth Airport Authority ("Customer") as of the 19<sup>th</sup> day of January, 2021. This Agreement incorporates the terms and conditions of the Computer Support and Preventative Maintenance Agreement, the Anti-Virus and Anti-Ransomware Software-as-a-Service Agreement, and the Security Services Agreement which are detailed below as Exhibits A, B and C. For purposes of this Agreement, the "Effective Date" is defined as the date upon which "Citon" begins delivering the Service.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties agree as follows:

Customer requests that the Services be provided to cover the equipment and services described on Citon Proposal number CCCQ62459 and this Agreement.

1. **Incorporation of Background Recitals.** The Background Recitals set forth for each service listed below are true and correct statements of fact and are hereby incorporated into this Agreement by reference.
2. **Authority and Capacity.** The parties signing this Agreement warrant and represent that they have full legal authority to enter into this Agreement and any documents attached hereto or incorporated herein by reference.
3. **Price and Payment Arrangements for Services.** The price for the Services shall be \$6500.00 per month paid in advance prior to the first day of the month via ACH from Customer's checking or savings account beginning the Effective Date. Customer authorizes Citon Computer Corp to deduct monthly payment amount in accord with automatic payment authorization form. If payment is not received by the 10<sup>th</sup> day of any month, Citon reserves the right to suspend services to Customer until payment in full has been made. Citon reserves the right to decline sale or service should Customer's account balance with Citon become past due. Partial months will be pro-rated. Work performed will be tracked on a monthly basis and Citon will provide written notice to Customer indicating if an adjustment to the monthly price (increase or decrease) will be applied. Any services performed outside the scope of this agreement will be quoted individually and will be subject to Citon's standard terms and conditions, with payment due 10 days after invoice date.

The value of the actual Services provided compared to the monthly price for Services charged will be reviewed on an annual basis and if a significant difference exists a new monthly price for Services may be negotiated if agreed by both Citon and Customer.

The monthly price for Services is broken down as follows as outlined in Citon Proposal # CCCQ62459.

One-time initial program launch of \$8500.00 to cover service setup, installation of tools and support Systems, initial discovery, helpdesk process setup, documentation, training and administrative costs.

4. **Change in Counts.** Agreement is based on the employee and device count at the Effective Date of this Agreement. If the number of users, or the workstation count, changes up or down by more than 10%, the monthly fee for Services will automatically be adjusted at the beginning of the following month. Any material change in the supported environment, such as but not limited to, additional servers will be discussed and any increases applied at the beginning of the following month. Any additional equipment covered under support must be inspected and certified as "fit for purpose" by Citon before it is covered under this Agreement.
5. **Third Party Vendors Authorization.** Upon execution of this Agreement, Customer will provide Citon with letters of authorization to any relevant vendors authorizing Citon to request third party vendors' services on Customers behalf and granting Citon access to all information necessary to perform said Services. Citon is not responsible for delays caused by third party vendors or costs incurred by Customer from third party vendors.

6. **Scheduled Maintenance Windows.** Citon will regularly install patches and critical updates to covered equipment to help ensure that Customer is protected against the latest vulnerability threats. For many of these updates to be installed properly, your server must be restarted. Citon will restart Customer's servers and/or workstations, as necessary, at an agreed upon time between Customer and Citon. If the expected downtime is greater than 15 minutes, Citon staff will contact Customer to inform of the outage. Customer reserves the right to request that Citon reschedule the outage to align with Customer's business needs.
7. **Rates.** Services and Products not covered under this Agreement shall be quoted separately and will be subject to Citon's Standard Terms and Conditions. Travel time for services covered under this agreement will not be billed. Travel time will be tracked on a monthly basis and Citon will provide written notice to Customer indicating if an adjustment to the monthly price (increase or decrease) will be applied. If additional trips on-site are required, travel time will be billed. Projects will be billed on a per project basis. Citon reserves the right to periodically increase its Base Rates, and will provide Customer with a minimum of 30 days written notice thereof.
8. **Term.** The Agreement Term shall commence upon the Effective Date and shall continue for a term of sixty (60) months. Once the Effective Date has passed, Customer must pay for the Services through the end of the Agreement Term regardless of whether Customer is actually using the Service throughout the duration of such Term, subject to the termination options outlined in the standard terms and conditions. Following the expiration of the Agreement term and failure of the parties to enter into any agreement for extension thereof, this Agreement and Customer's right to use services shall continue in effect on a month-to month basis upon the same terms and conditions specified herein, unless terminated by either Customer or Citon upon thirty (30) days' prior written notice to the other party.
9. **Alterations to Services or Equipment.** If Customer alters any Services or Equipment covered under this Agreement without the express written consent of Citon, Customer does so at its own risk and expense. Citon shall not be liable or responsible for problems created as a result of Customer's alteration of Services, Equipment and/or Customer's network or systems. If Customer wishes Citon to correct or fix its alterations or problems relating thereto, such Services by Citon will be considered a new project and Customer agrees that the same terms and conditions set out in this Agreement shall apply.
10. **Obligation to Back-up Software and Data.** Customer shall be responsible for maintaining backups of all critical software, documents, and applications on all of Customer's servers, workstations, personal computers, smart phones, etc as well as backups of all data on Customer's network. Customer is responsible for scheduling of backup jobs, changing of media and storage. In no event shall Citon be liable to Customer or any other person for any loss, cost or damage related to data. Citon recommends creation of a disaster recovery plan, with monthly test restores of backups and annual full tests of the plan, available from Citon as a special project outside the scope of this Agreement.
11. **Additional Terms and Conditions.** The parties agree that Citon's Standard Terms and Conditions shall be incorporated into this Agreement. Customer acknowledges and agrees that it has read and understands Citon's Standard Terms and Conditions. Anywhere a direct conflict exists between the Standard Terms and Conditions and this Agreement, the term in the Agreement shall prevail.
12. **Counterparts and Facsimile Signatures.** This Agreement may be executed in one or more counterparts and facsimile signatures shall be deemed as good as an original signature.
13. **Modification.** This Agreement may be amended or modified only in writing, signed by the parties.
14. **Binding Effect.** This Agreement shall be binding on all heirs, successors, and assigns of the parties.
15. **Entire Agreement.** This is the entire agreement between the parties regarding the services described. There are no other agreements or understandings, express or implied, except as set forth above.
16. **Other Client Responsibilities.** The following items will be the sole responsibility of Customer:
  - a. Customer will provide full and complete access, including admin usernames and password, to all equipment covered under agreement or necessary to provide support to covered equipment. If Citon does not have access to any equipment necessary for support, support services under this Agreement may be limited.



17. **Citon Service Stipulations.** The following stipulations are in place for the Services provided by Citon:
- a. Citon may, at its discretion, place any product, hardware or software, on a DNR (Do Not Resuscitate) list, if continued problems are encountered. Once an item is placed on a DNR list it is no longer covered under the terms of this agreement and any further support will be billed on a time and materials basis.
  - b. In the course of providing service to Customer end users, Citon will deploy agent based software on each covered device. Unless otherwise specified in writing by Customer, Customer acknowledges and grants Citon remote unassisted access to covered devices. Citon warrants that per its confidentiality agreement no confidential information will be accessed, stored, saved, copied or removed from Customer systems.
  - c. Citon adheres to I.T. industry standard best practices for all support and recommendations. If best practices warrant an upgrade to any equipment or software such upgrade will be considered a special project and will be quoted and billed individually.
  - d. In addition to the stipulations in Section 3, Citon shall implement an automatic yearly percentage increase for Services based on the current Consumer Price Index.

**THE CITON COMPUTER CORPORATION**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**CUSTOMER:**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## EXHIBIT A: COMPUTER SUPPORT AND PREVENTATIVE MAINTENANCE

### BACKGROUND RECITALS

- A. Customer has asked Citon to provide and Citon has agreed to provide the following computer related services:
- Phone Support
  - Remote Support
  - On-Site Support
  - Preventative maintenance
  - 24X7 monitoring service with 8x5 response as described below
  - Automatic Microsoft Windows patch management on PCs
  - Automatic patch management of certain third party applications as described below
  - Manual application of Microsoft and certain third party patches on servers to be scheduled in advance with customer due to required server reboots
  - Third Party Vendor Coordination
  - Program Launch including set-up and cross training
  - Quarterly executive report, review and recommendations
  - Annual strategic planning and budgeting

(the "Services").

**Citon Service Description.** The following stipulations are in place for the Services provided by Citon:

1. **Covered Equipment and Services.** Managed services on the "standard IT equipment and services" listed below will be provided principally by Citon, in conjunction with warranty and support contracts from equipment manufacturers or subscribed 3<sup>rd</sup> party providers:
  - a. Physical server hosts
  - b. Virtual servers including domain controller, file server, Exchange server, application server
  - c. Network equipment including firewall, switches, routers, access points for terminal wifi, point to point wireless to outlying buildings, and UPSs.
  - d. Staff workstations including desktops, laptops and connected peripherals
  - e. Data backups
  - f. Printers and scanners
  - g. Microsoft 365 subscriptions
  - h. SPAM filtering services
2. **Extended Equipment and Services.** Managed services will be provided on the extended equipment and service listed below in partnership between Citon, and Customer's Support Vendor for each of the systems listed below:
  - a. C-Cure card access (badge) system: Support vendor – Simplex / Johnson Controls
  - b. C-Cure security camera and DVR system: Support vendor – Simplex / Johnson Controls
  - c. Phone system, phones and phone lines: Nextera Communications
  - d. PA / paging system: Electronic Design Company
  - e. Control tower crash phone: CenturyLink
  - f. Multi-function copier, scanning, printer: Metro Sales
  - g. Airport perimeter and parking lot gates, doors: Phil's Garage Door
  - h. Emergency Alert, electronic door & gate monitoring systems: To be determined

Citon will be the first point of contact for both Covered and Extended Equipment and Services. Customer shall maintain warranty and support contracts for all systems and with all vendors identified in Extended Equipment and Services. Any system which allows monitoring by Citon Enhanced Network Monitoring as described in Exhibit C, or has the ability to send warning or alert messages will be monitored by and first responded to by Citon. Citon will provide initial troubleshooting, diagnostics and issue resolution services up to a maximum of 2 hours per incident. If the issue cannot be resolved within 2 hours, or if extended equipment support vendor is needed earlier, Citon will coordinate, liaise with and serve as the primary contact with vendor, handling all communication and managing support vendor through to issue resolution. Cost of support contract with Support Vendor will be paid by Customer, and any hourly or fixed cost fees will be invoiced from Support Vendor directly to Customer.

3. **Covered Locations.** Services will be provided to the Duluth Airport Authority offices and terminal building located at 4701 Grinden Drive, Duluth, MN, various locations around the around the terminal, as well as additional offices and equipment located in the Snow Removal Equipment Building (SRE), and at Sky Harbor Airport (KDYT).
4. **Moves, Adds, and Changes.** The following stipulations are in place for the Services provided by Citon:  
Monthly Price for Services also includes small moves, adds, and changes for any covered equipment. Small moves, add, and changes are generally considered any change that takes less than 3 hours to complete and does not include the installation of new hardware/ equipment such as a PC or laptop install. New equipment installations and all moves, adds and changes will be considered "Special Projects" and will be quoted separately outside the scope of the Agreement.  
  
Moves, Adds and changes will include installation of replacement/upgraded workstations that are purchased from and imaged by Citon.
5. **Loaner Equipment.** In the event of an equipment failure or issue, Citon may, but is not required to, have loaner equipment available for Customer's use. In the event loaner equipment is available, Citon reserves the right to charge a weekly rental fee for that equipment, when discussed and approved by the Customer. Loaner equipment remains the property of Citon.
6. **Equipment recycling.** Agreement includes the secure data destruction and recycling of equipment replaced by and purchased from Citon. Citon will verify that all Airport data has been wiped from equipment prior to recycling, and shall not be sold, rented, loaned or temporarily assigned to Citon or any of its Customers.
7. **Reimbursement for Equipment and Supplies.** On occasion, in the course of delivering Services to Customer, Citon may need to purchase spare parts, other equipment, supplies, accessories, or software. In such cases, Customer shall be responsible to and agrees to reimburse Citon for all such costs and expenses incurred under this project. No purchases over \$100.00 will be made without Customer's prior written approval.
8. **Warranty regarding Software Licensing.** Customer warrants that all software it provides to Citon for installation, configuration, or use in any way, has been legally obtained and is properly licensed. Customer further warrants that it has legally purchased sufficient number of copies of such software and that it has not violated any licensing laws. Citon has no knowledge regarding licensing of software provided to it by Customer and Customer indemnifies Citon for any installation, configuration or use of such software, Customer understands and acknowledges that Customer shall be solely responsible and liable for all licensing and purchasing of software.
9. **Monitoring and Response.** Citon will provide 24x7x365 monitoring, performance tracking and trending, asset inventory and reporting on network accessible servers, workstations, networking equipment and non-closed systems. Citon will respond to alerts from these systems Citon during regular business hours.

Citon will provide after-hours support on 'Priority 1-Critical' and 'Priority 2-High' issue reports from Customer staff, as defined in the SLA below. After-hours support will be billed as out of scope of this Agreement.

10. **Service Level Agreement (SLA).** The priority of all reported issues and alerts will be set based on the following criteria:  
Priority 1 – Critical: Interruption to flight operations, or issues requiring potential notification to TSA: Card access (badge) system down, Security camera system down.

- 30 minute response during business hours, 60 minute response outside of business hours.

Priority 2 – High: Business down, multiple users unable to work. Multiple cameras or multiple badges/card access stations not working.

- 60 minute response during business hours, 2 hour response outside of business hours.

Priority 3 – Medium: Affects multi users but workaround available, or single user unable to work.

- 4 hour response during business hours, no guaranteed response outside of business hours.

Priority 4 – Low: Single user affected, workaround available, single function disrupted, annoyance issue, or pre-planned addition/change request. Also includes scheduled maintenance – patching, reboots, pre-scheduled updated, reporting, etc.

- 8 hour response during business hours, no guaranteed response outside of business hours.

Response on Covered Equipment and Services is defined as taking initial report, creating service ticket, assigning to a resource, and resource beginning troubleshooting and diagnostics. Citon cannot guarantee response or resolution time for any 3<sup>rd</sup> party vendor involved in providing service, but will be responsible for advocating on Customer's behalf.

Citon's response on Extended Equipment and Services will be limited to the initial receipt, documentation, troubleshooting and initial contact with Support Vendor. Citon cannot guarantee response or resolution times from Extended Equipment and Service Support Vendors, but will be responsible for advocating on Customer's behalf.

11. **Citon Service Stipulations.** The following stipulations are in place for the Services provided by Citon:

- a. Citon may make recommendations for hardware, software or network improvements, referred to as special projects, to improve the level of support. If implementation of the recommendation is necessary to continue efficient and effective support, and the recommendation is not implemented, Citon reserves the right to exclude the item from Services provided and SLA will not be applicable.
- b. The Manufacturers or extended warranty or support on any individual item may dictate the recommended problem resolution or manner of support.
- c. Support may be postponed if an upgrade is required or if support is required on equipment, software etc which has been placed on the manufacturers unsupported list.
- d. In the course of providing service to Customer end users, Citon will deploy agent based software on each end user covered device. Unless otherwise specified in writing by Customer, Customer acknowledges and grants Citon remote unassisted access to covered devices. Citon warrants that per its confidentiality agreement no confidential information will be accessed, stored, saved, copied or removed from Customer systems.
- e. It is understood that TV displays used throughout the Airport Terminal both as televisions and as information displays are installed and maintained by Airport Facilities Management, and content is managed between the Duluth Airport Authority and iFIDS. Citon support of these televisions and displays shall be limited to support of Wifi connectivity to those devices.

12. **Exclusions.** The Services to be provided pursuant to this Agreement shall not include work on or related to the following:
- a. Agreement covers labor services only; any hardware, software or parts will be invoiced separately.
  - b. Equipment upgrades, application software upgrades, special projects, etc. are not covered by this agreement and will be quoted separately and subject to Citon's Standard Terms and Conditions.
  - c. It is assumed that the network is in good working order. Any issues with the network, equipment, or services that are not in good working order will be treated as a special project and quoted individually. In addition, it is assumed that network and technology are as presented, are functional, and are fit for purpose.
  - d. It is understood that Citon's agent based tool can be utilized to distribute patches and updates to end user PCs. If Citon is unable to deploy this tool due to restrictions of the Customer or environment, Citon may, at its discretion, quote and bill patches and updates as a special project, or increase the monthly price for Services.
  - e. Any patches or updates to end user PCs that cannot be handled via Citon's agent based tool will be treated as a special project and quoted separately.
  - f. Software / application version upgrades are not covered unless they can be automatically applied by Citon's agent based tool.
  - g. Any equipment or software added will be billed separately and is subject to the terms as specified in Section 4 above.
  - h. Support of applications not specific listed in covered or extended system are not included and is billed separately unless specified in background recitals.
  - i. Support does not include any tenants of Customer. If any tenant is found to be using equipment by Customer and managed by Citon, the migration of tenant(s) off of Customer equipment / services will be billed separately outside the scope of this Agreement.
  - j. Other items not identified in background recitals will be considered a Move, Add, Change.
  - k. Citon will provide support to Duluth Airport Authority staff and staff equipment. Support of DAA board members and equipment is not included.
  - l. Project Management services for the oversight, management and coordinator of third party vendor projects are available outside the scope of this Agreement and will be quoted with the project budget. Small projects that can be completed with the small moves, adds and changes as defined above will be included.
13. **Disaster Recovery Service Exclusions.** Citon reserves the right to bill for labor incurred during a Disaster Recovery if circumstances surrounding the disaster meet the following conditions in whole or in part:
- a. Customer fails to adhere to any of the requirements outlined in this agreement;
  - b. Environmental failure events that render hardware unusable. Examples of environmental failure include, but are not limited to: smoke, fire, water, temperature, etc.
  - c. Events beyond Citon's reasonable control, including but not limited to: Acts of God, government or industry regulation, labor strikes, natural disaster, war, and state or national emergency;
  - d. Any act or omission on the part of any party other than Citon, such as Third Party Vendors.
  - e. Failure is caused in full, or in part, by Customer's failure to act upon recommendations made by Citon.
  - f. Recovery from a virus, malware or ransomware attack that affects servers, backups, network equipment or more than one workstation.
14. **Other Client Responsibilities.** The following items will be the sole responsibility of Customer:
- a. Customer will maintain cold spares and configurations for critical hardware. Citon is not responsible for the timeframe to repair equipment where cold spares are not available.
  - b. Citon may require maintenance agreements for certain hardware or software components from the original manufacturer or from a Citon approved vendor.
  - c. Customer will provide Citon with a list of all cold spares, configurations and maintenance agreements, as well as access to spares.
  - d. Customer agrees to be bound by the Citon Service Agreement and Acceptable Use Policy which Citon may change from time to time and without notice to Customer.

## EXHIBIT B: ANTI-VIRUS and ANTI-RANSOMWARE SOFTWARE AS A SERVICE

### BACKGROUND RECITALS

- A. Customer has asked Citon to provide and Citon has agreed to provide the following computer related services:
- Premium Antivirus and Malware Software
  - Premium ransomware containment and mitigation protection
  - Automatic Virus Definition Updates
  - Included Version Upgrades - no software or labor costs to upgrade to new version
  - Routine Virus Scans - Citon's central console monitors activity.
  - Virus Notification - notification to your staff when viruses occur
  - Malware Notification - notification to your staff or designated staff when ransomware is detected
  - Automatic continuous protection

(the "Services").

Accepted Citon Service Description. The following stipulations are in place for the Services provided by Citon:

1. **Notifications and Response**. Virus and ransomware alert notifications will be sent to contact designated by Customer, as well as Citon's Network Operations Center (NOC). Response to a potential virus or ransomware will be acted upon by Citon's NOC during regular business hours as defined in Citon's Standard Terms and Conditions.
2. **Remediation Services**. Remediation of a virus, malware or ransomware on a workstation or laptop is not covered under the Agreement. Citon may wipe and reload a workstation if virus, malware or ransomware is limited to a single machine. Citon does not backup workstations and is not responsible for recovery of data. Installation of applications etc. is not covered under this agreement and will be invoiced separately. Remediation of a virus, malware or ransomware attack on a server or other device is not covered under this Agreement. Citon may assist in the recovery of server if a Citon Datto is in place and functional at the time of the incident, limited to four (4) hours of labor. Citon recommends having a full disaster recovery plan with regular testing, at least annually, of any backup solution. Citon disaster recovery planning services and backup testing is available outside the scope of this Agreement.
3. **Equipment Coverage**. All connected windows devices should have Citon Anti-Virus and Anti-Ransomware software installed; if software is not deployed on a connected windows device the efficacy of the solution will be diminished.
4. **Policy**. Anti-Ransomware will be deployed in accordance with the ransomware defense policy created in conjunction with the Customer.
5. **EULA**. Customer understands and accepts the Anti-Virus and Anti-Ransomware End User License Agreement.
6. **Exclusions**. The Services to be provided pursuant to this Agreement shall not include work on or related to the following:
  - a. Remediation services as defined in item 2 above outside of regular business hours is available via Citon's on-call engineer, and will be billable as out of scope
  - b. Citon does not backup workstations under this Agreement. Attempted restoration of files or other data residing on the workstation is a special project not covered under the scope of this Agreement.
  - c. Any remediation of any virus, malware or ransomware attack originating from a device WITHOUT Citon Anti-virus and anti-ransomware software will be considered out of the scope of this Agreement, and billed as a special project.
  - d. If ransomware is detected on Customer's network and Customer decides to pay the ransom, the costs associated with that ransom will be paid 100% by Customer; in no circumstance will Citon directly pay or reimburse Customer for a ransom.

## EXHIBIT C: SECURITY SERVICES

### BACKGROUND RECITALS

A. Customer has asked Citon to provide and Citon has agreed to provide the following security related services:

- Enhanced Network Monitoring
- Virtual CIO
- Security Policy
- Multi-Factor Authentication
- Vulnerability Scanning
- Security Awareness benchmarking and training

(the "Services").

1. **Service Descriptions.** The following stipulations are in place for the Services provided by Citon:

Accepted **1. Enhanced Network Monitoring.** Provides real-time monitoring, alerting, and performance dashboarding of firewall, physical hosts, and core network switching. 24x7x365 monitoring with 8x5 response. Service includes performance tracking and trending and automatic backup of firewall configuration.

Accepted **2. Virtual Chief Information Officer (vCIO).** Working with owner(s) and/or key decision makers on the objectives, strategies, planning and execution of the role of IT in the organization. Specific deliverables include:

- i. Maintain annual budget of all IT expenditures including actual and planned capital expenditures, annual renewals, contracts and expenses, and monthly recurring expenses.
- ii. Maintain equipment lifecycle reporting and budgeting.
- iii. Conduct annual strategic planning review with owner/decision maker to align technology strategies with corporate goals and initiatives for the coming year.
- iv. Provide quarterly performance data and service metrics showing the health of the IT infrastructure.
- v. Complete GAP analysis and provide recommendations on a semi-annual or annual basis
- vi. Coordinate with decision maker(s) on new technology planning, acting as a liaison to infrastructure requirements, scope and potential downtime for related technology initiatives.
- vii. Assist Customer in responding to technical and security questions on Requests for Proposal (RFP's) required from current or prospective clients, 3<sup>rd</sup> party / vendor due diligence questionnaires, and insurance application or renewal forms.
- viii. Create and maintain documentation of all contracts related to technology services, along with renewal date and estimated renewal cost. Provide summary overview of each support vendor and contract, with services provided and contact information.

Accepted **3. Security Policy.** Citon will work with the Customer to develop an overall Security Policy for the organization, based on industry, compliance requirements, insurance needs, and corporate strategy. Once policy is drafted and approved by Customer, Citon will complete and GAP analysis between current environment and Security Policy, and develop a roadmap to meet that policy. Citon will work with the customer to annual review and update the corporate Security Policy.

Accepted **4. Multi-Factor Authentication (MFA).** Based on MFA guidelines set in the corporate Security Policy, Citon will identify and implement MFA for all available systems/accounts. This includes free setup of MFA for M365 accounts managed by Citon, and secure tokens for any Fortinet firewall managed by Citon. An inventory of MFA enabled systems/accounts will be created and maintained, and included in annual review.

Accepted **5. Vulnerability Scanning.** Upon execution of this Agreement, Citon will deploy a vulnerability scanner to Customer's network. An initial vulnerability scan and report will be generated, with areas of risk identified and rated based on level of risk. An explanation of the risks and potential remediation steps, along with projected remediation costs, will be presented to Customer. Vulnerability scan will be run twice per year thereafter, or after any major infrastructure change as defined by Citon. The resolution of any vulnerabilities detected is available as a project outside the scope of this Agreement.



Accepted

**6. Security Awareness Benchmarking and Training.** Upon execution of this Agreement, Citon will purchase and configure Security Awareness training in Customer's name. An initial campaign will be discussed and approved by Customer, then deployed to gain a benchmark of employee based vulnerability and high risk behaviors. Based on that initial benchmark, a security awareness training program will be established and implemented. A schedule for additional campaigns will be created to run a minimum of twice per year, and a maximum of once a month. Campaign results will be compiled and included in security program and compliance reporting.

2. **Exclusions.** The Services to be provided pursuant to this Agreement shall not include work on or related to the following:

- a. All Services in this Exhibit C will be performed during regular business hours. After hours services are available as billable services outside the scope of this Agreement.
- b. Citon does not warrant that Vulnerability Testing or Security Awareness Training will prevent unauthorized access to or compromise of Customer's systems or data, nor prevent unauthorized release or access to Customer's systems or data.
- c. Citon is not liable, either in contract or in tort, for the unauthorized access to, or alteration, theft or destruction of data files, programs, procedures and/or information of the Customer or other authorized user by any person through accident or by any other means or devices.
- d. Independent third party penetration testing is available outside the scope of this Agreement.
- e. As the threat landscape continues to change, additional security solutions may be required to protect the Airport. Citon will endeavor to include these solutions in the existing Agreement when possible, and will discuss with the Airport if additional services will be billable.

\*Customer understands that all Services recommended under these Exhibits B and C reflect best practices in the information technology and security industry. Based on the increase in complexity of technology infrastructure, the outsourcing of services and data to 3<sup>rd</sup> party cloud based providers, and the constantly changing threat landscape, Citon strongly recommends the use of all services described in Exhibits B and C. These Services, while not guaranteeing uptime, performance or security of systems or data, will significantly reduce the risk to Customer's systems and data, and increase stability and efficiency. By selecting "declined" on any of the services listed in Exhibits B or C, Customer acknowledges and accepts all risks and responsibility these services were designed to reduce.

\_\_\_\_\_ Customer Initials

## Citon Solution Detail

QUOTE #	CCCQ62459
DATE	Dec 23, 2020

### Prepared For:

Mark Papko  
Duluth Airport Authority  
4701 Grinden Drive  
Duluth, MN 55811

### Prepared By:

Carter Nelson  
209 West 1st Street  
Duluth, MN 55802

Carter.Nelson@citon.com  
218.720.4435

Phone

SALESPERSON	P.O. Number	PAYMENT TERMS	DUE DATE
Carter Nelson	TBD	Net 30	

DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE
Managed Service Bundle per attached Agreement (per month, 60-month term)	1	\$6,500.00	\$6,500.00
Citon Managed Service - workstations			
Fully Managed Anti-Virus and Anti-Ransomware for workstations and servers			
Citon Managed Service - Physical host(s) and virtual servers			
Citon Managed Service - Network Equipment including firewall, switches, terminal Wifi and point to point wireless to SRE and other locations			
Citon Managed Service - Printers/Peripheral devices			
Citon Managed Service - O365 management			
Citon Managed Service - Enhanced Network Monitoring			
Hosted SPAM Filtering			
Security Services including: Virtual CIO, Vulnerability scanning and reporting, Security Policy, etc.			
Extended systems support, including badging, security cameras, phone system, PA system, etc.			
Security Awareness Training			
Monthly Subtotal			\$0.00

Professional Services implementation and onboarding per attached Statement of Work		1	\$8,500.00	\$8,500.00
Notes	RECURRING SUBTOTAL	\$6,500.00	SOLUTION SUBTOTAL	\$8,500.00
			SALES TAX	\$0.00
			GRAND TOTAL	\$8,500.00

Authorized Name \_\_\_\_\_

Authorized Signature & Date \_\_\_\_\_

Prices subject to change - however we endeavor to maintain those quoted. By accepting this proposal you agree to accept all our terms and conditions located, at [www.citon.com](http://www.citon.com), which are incorporated herein by reference. Thank you for considering Citon Computer Corp. All logo's, brands, and product names are trademarks or registered trademarks of their respective companies. © Copyright 2020. Citon Computer Corp. Duluth MN. Citon is a registered trademark of Citon Computer Corp. All rights reserved.



Duluth Airport Authority  
**Balance Sheet**  
**End of Nov 2020**

Financial Row	Amount
<b>ASSETS</b>	
Current Assets	
Bank	\$4,167,303.81
Accounts Receivable	\$505,755.46
Other Current Asset	\$99,691.69
Total Current Assets	\$4,772,750.96
Fixed Assets	
Accumulated Depreciation	(\$120,377,406.80)
Capital Assets	\$243,929,929.73
Work in Progress	\$9,219,973.00
Total Fixed Assets	\$132,772,495.93
Other Assets	
Accumulated Amortization	(\$1,757,535.18)
Airport Planning Projects - Contributed	\$2,266,606.50
Airport Planning Projects - Invested	\$404,503.05
Deferred Outflows - OPEB	\$28,487.00
Deferred Outflows - Pension	\$106,609.00
Total Other Assets	\$1,048,670.37
Total ASSETS	\$138,593,917.26
<b>LIABILITIES &amp; EQUITY</b>	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$122,326.14
Contracts Payable	\$1,002,051.54
Lottery Payable	\$416.74
Total Accounts Payable	\$1,124,794.42
Credit Card	\$1,750.22
Other Current Liability	
Accrued Expense	(\$22,599.96)
Accrued Interest	\$215,435.31
Accrued Sales Taxes Payable - All	\$0.02
Accrued Vacation	\$119,039.06
Deferred Inflows - OPEB Liabilities	\$194,402.00
Deferred Inflows - Pension	\$247,511.00
Loans Payable - DEDA MIF	\$26,666.64
Loans Payable to City of Duluth	\$935,000.00
Unearned Revenue - Current	\$295,500.00
Unearned Revenue - Non Current	\$210,753.77
Total Other Current Liability	\$2,221,707.84
Total Current Liabilities	\$3,348,252.48
Long Term Liabilities	
LT Loans Payable - DEDA MIF	(\$22,221.80)
LT Loans Payable to City of Duluth	\$7,460,000.00
Net Pension Liability	\$1,039,410.00
Total Other Post Employment Benefit Liability	\$2,794,376.50
Total Long Term Liabilities	\$11,271,564.70
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$101,589,181.87
Net Income	\$5,763,249.51
Total Equity	\$123,974,100.08
Total LIABILITIES & EQUITY	\$138,593,917.26

**Duluth Airport Authority**  
**Income Statement**  
**From Jan 2020 to Nov 2020**

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$10,300.00
Concession Revenue	
ATM	\$245.00
Car Rental Concession	\$281,809.68
Food & Beverage Concession	\$24,017.06
Lottery Concessions	\$338.37
Parking	\$469,782.52
Per Passenger Fee	\$9,846.00
Services/Other	\$550.00
TNC Per Trip Fee	\$6,892.50
Vending	\$4,161.16
Total - Concession Revenue	\$797,642.29
Customer Facility Charges	\$142,780.00
Miscellaneous Revenues	\$83,796.09
Parking	\$126,754.59
Permits	\$6,980.51
Plowing Services	\$6,952.00
Reimbursed Expenses	\$50,925.61
Rent	\$200,626.98
Sponsorship Income	\$62,000.00
State Aid	\$45,505.16
Total - Non-Aeronautical Revenue	\$1,534,263.23
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$66,315.83
Concession Revenue	\$92,376.90
Event Income	\$35,564.20
Landing Fees	\$35,408.49
Ramp Fees	\$17,046.48
Rent	\$1,065,353.34
Security Reimbursement	\$77,569.66
Tie Downs	\$2,520.00
Total - Non-Passenger Aeronautical Revenue	\$1,392,154.90
Passenger Airline Aeronautical Revenue	
Landing Fees	\$197,314.71
Terminal Office/Space Rental	\$1,012,617.64
Total - Passenger Airline Aeronautical Revenue	\$1,209,932.35
Total - Income	\$4,136,350.48
Gross Profit	\$4,136,350.48
Expense	
Miscellaneous Expenses	\$32,687.40
Personnel Compensation & Benefits	
Benefit Administration Fees	\$183.60
Employer Contributions for Retirement	\$175,614.08
Employer Paid Insurance	\$360,475.23
Retiree Benefits	\$76,093.50
Unemployment Compensation	\$2.92
Wages & Salaries	\$1,352,200.88
Worker's Compensation	\$45,695.18
Total - Personnel Compensation & Benefits	\$2,010,265.39
Services and Charges	
Advertising	\$185.00
Badging	\$3,500.00
Central Services Fee	\$3,766.66

<b>Financial Row</b>	<b>Amount</b>
Communications & Technology	\$159,759.06
Employee Development Services	\$18,105.33
Employee Physicals	\$2,622.00
Finance Charge	\$183.12
Insurance	\$79,332.11
Marketing	\$88,655.86
Professional Services	\$329,392.81
Rentals	\$13,112.13
Repairs and Maintenance - Contractual/Services	\$426,191.53
Sponsorship Expenses	\$1,211.00
Transportation	\$1,081.77
Utility Services	\$409,277.20
Total - Services and Charges	\$1,536,375.58
Supplies	
Merchandise for Resale	\$54,002.48
Office Supplies	\$20,057.36
Operating Supplies	\$88,178.13
Repairs & Maintenance Supplies	\$275,099.51
Total - Supplies	\$437,337.48
Total - Expense	\$4,016,665.85
Net Ordinary Income	\$119,684.63
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$805,536.29
Grants	\$4,798,068.28
Total - Capital Contributions	\$5,603,604.57
Non-Operating Revenue	
Gain/Loss on Asset Disposal	(\$524.81)
Interest Income	\$39,633.82
Passenger Facility Charges	\$252,435.16
Total - Non-Operating Revenue	\$291,544.17
Total - Other Income	\$5,895,148.74
Other Expense	
Non-Operating Expense	
Interest Expense	\$251,583.86
Total - Non-Operating Expense	\$251,583.86
Total - Other Expense	\$251,583.86
Net Other Income	\$5,643,564.88
Net Income	\$5,763,249.51

**Duluth Airport Authority**  
**DAA Board Packet Budget vs. Actual Summary**  
**From Jan 2020 to Nov 2020**

**Unaudited**

Financial Row	Prior Year Actual (Jan 2019 - Nov 2019)	Current Year Actual (Jan 2020 - Nov 2020)	Budget Amount (Jan 2020 - Nov 2020)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2020 - Adjust 2020 )
<b>Ordinary Income/Expense</b>							
Income							
Non-Aeronautical Revenue	3,116,829	1,534,263	2,844,183	53.94%	(1,582,565)	(1,309,920)	3,061,031
Non-Passenger Aeronautical Revenue	1,484,428	1,392,155	1,417,445	98.22%	(92,274)	(25,290)	1,534,533
Passenger Airline Aeronautical Revenue	1,344,438	1,209,932	1,372,864	88.13%	(134,506)	(162,932)	1,493,899
<b>Total - Income</b>	<b>5,945,695</b>	<b>4,136,350</b>	<b>5,634,493</b>	<b>73.41%</b>	<b>(1,809,345)</b>	<b>(1,498,142)</b>	<b>6,089,462</b>
<b>Gross Profit</b>	<b>5,945,695</b>	<b>4,136,350</b>	<b>5,634,493</b>	<b>73.41%</b>	<b>(1,809,345)</b>	<b>(1,498,142)</b>	<b>6,089,462</b>
Expense							
Miscellaneous Expenses	37,726	32,687	29,586	110.48%	(5,039)	3,101	33,540
Personnel Compensation & Benefits	1,940,241	2,010,265	2,137,361	94.05%	70,024	(127,096)	2,408,510
Services and Charges	1,505,348	1,536,376	1,693,174	90.74%	31,028	(156,799)	1,843,702
Supplies	466,161	437,337	567,161	77.11%	(28,824)	(129,823)	606,835
<b>Total - Expense</b>	<b>3,949,477</b>	<b>4,016,666</b>	<b>4,427,282</b>	<b>90.73%</b>	<b>67,189</b>	<b>(410,616)</b>	<b>4,892,587</b>
<b>Net Ordinary Income</b>	<b>1,996,219</b>	<b>119,685</b>	<b>1,207,211</b>	<b>9.91%</b>	<b>(1,876,534)</b>	<b>(1,087,526)</b>	<b>1,196,875</b>
<b>Other Income and Expenses</b>							
Other Income							
Non-Operating Revenue	631,951	291,544	576,771	50.55%	(340,407)	(285,227)	610,880
<b>Total - Other Income</b>	<b>631,951</b>	<b>291,544</b>	<b>576,771</b>	<b>50.55%</b>	<b>(340,407)</b>	<b>(285,227)</b>	<b>610,880</b>
Other Expense							
Non-Operating Expense	279,124	251,584	324,917	77.43%	(27,540)	(73,333)	354,455
<b>Total - Other Expense</b>	<b>279,124</b>	<b>251,584</b>	<b>324,917</b>	<b>77.43%</b>	<b>(27,540)</b>	<b>(73,333)</b>	<b>354,455</b>
<b>Net Other Income</b>	<b>352,826</b>	<b>39,960</b>	<b>251,854</b>	<b>15.87%</b>	<b>(312,866)</b>	<b>(211,893)</b>	<b>256,425</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>2,349,045</b>	<b>159,645</b>	<b>1,459,065</b>	<b>10.94%</b>	<b>(2,189,400)</b>	<b>(1,299,420)</b>	<b>1,453,300</b>
Projects/Grants	8,722,633	5,603,605	2,710,043	206.77%	(3,119,029)	2,893,562	2,956,410
Depreciation & Amortization	(9,246,031)	0	(9,383,178)	0.00%	9,246,031	9,383,178	(10,236,194)
<b>Net Income</b>	<b>1,825,647</b>	<b>5,763,250</b>	<b>(5,214,070)</b>	<b>-110.53%</b>	<b>3,937,602</b>	<b>10,977,320</b>	<b>(5,826,484)</b>

\* This report is based on an allocated budget, which is seasonally adjusted. At this time the DAA is at a negative variance budget vs actual of over 1.3M.

\* CARES Funds requests recorded during this time period total nearly 2.27M which produces a positive variance of just over 969k.

\* The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings due to COVID.

\* The largest variance from budget in revenues comes from a reduction in concession revenues due to COVID and decreased passengers. Revenue is about 1.5M under budget.

\* The largest variance from budget in expenses comes decreased services and charges as well as personnel costs and supplies. Essential spending has been implemented which helps in the decrease of expenses. There was decreased overtime as well as delays in hiring which also contributed to the reduced spending. Expenses are about 410k under budget. This variance is expected to be reduced anticipating some large repairs and maintenance expenses, IT and equipment year-end needs.

\* Non-operating income is down due to decreased PFC collections while expenses are down due budgeted line of credit interest which hasn't been utilized for a total negative variance of nearly 212k.



**Duluth Airport Authority**  
**Duluth A/R Aging Report**  
**As of January 12, 2021**

**121 F**

**Filters: Transaction Type (equal to Invoice, Payment, Credit Memo )**

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	12/13/2020 - 1/11/2021 (30) Open Balance	11/13/2020 - 12/12/2020 (60) Open Balance	10/14/2020 - 11/12/2020 (90) Open Balance	BEFORE 10/14/2020 (>90) Open Balance	TOTAL Open Balance
Aeronautical Radio, Inc.	Invoice	1/1/2021	7716	1/31/2021	11	\$0.00	\$1.76	\$0.00	\$0.00	\$0.00	\$1.76
Avis Rent A Car	Invoice	1/1/2021	7695	1/31/2021	11	\$0.00	\$2,209.27	\$0.00	\$0.00	\$0.00	\$2,209.27
BKR Investments DBA Duluth Pack	Invoice	1/1/2021	7698	1/31/2021	11	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
<b>Briden, Tom</b>						\$0.00	\$321.81	\$0.00	\$0.00	\$0.00	\$321.81
Budget Rent A Car	Invoice	1/1/2021	7696	1/31/2021	11	\$0.00	\$1,483.63	\$0.00	\$0.00	\$0.00	\$1,483.63
Churchill, Sean	Invoice	1/1/2021	7739	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
<b>Cirrus Design Corporation</b>						\$0.00	\$18,069.63	\$0.00	\$0.00	\$0.00	\$18,069.63
<b>City of Duluth</b>						\$0.00	\$1,645.57	\$1,645.57	\$0.00	\$0.00	\$3,291.14
<b>Compudyne</b>						\$0.00	\$28.87	\$29.59	\$0.00	\$0.00	\$58.46
<b>Delta Airlines</b>						(\$5,375.34)	\$0.00	(\$5,375.18)	\$0.00	\$0.00	(\$10,750.52)
Divine Carriers	Invoice	1/1/2021	7712	1/31/2021	11	\$0.00	\$126.33	\$0.00	\$0.00	\$0.00	\$126.33
Donald J. Trump for President, Inc.	Invoice	9/30/2020	7431	9/30/2020	104	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00
Duluth Economic Development Authority	Invoice	1/7/2021	7748	2/6/2021	5	\$0.00	\$675.00	\$0.00	\$0.00	\$0.00	\$675.00
<b>Duluth Hangar, LLC</b>						\$0.00	\$799.50	\$0.00	\$0.00	\$0.00	\$799.50
<b>Enbridge Energy, Inc.</b>						\$0.00	\$3,200.00	\$0.00	\$0.00	\$0.00	\$3,200.00
Enterprise Leasing Company	Invoice	1/1/2021	7699	1/31/2021	11	\$0.00	\$19.24	\$0.00	\$0.00	\$0.00	\$19.24
<b>Federal Express Corporation</b>						\$0.00	\$200.00	\$0.00	\$0.00	\$1,695.00	\$1,895.00
<b>General Services Administration</b>						\$0.00	(\$233.20)	\$0.00	\$0.00	\$0.00	(\$233.20)
<b>Goritchan Boris</b>						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald	Invoice	2/10/2020	6437	3/11/2020	337	\$0.00	\$0.00	\$0.00	\$0.00	\$412.00	\$412.00
<b>GSSC</b>						\$0.00	\$130.00	\$0.00	\$0.00	\$125.00	\$255.00
Hagberg, Rick	Invoice	1/1/2021	7735	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hall John	Invoice	1/1/2021	7700	1/31/2021	11	\$0.00	\$272.96	\$0.00	\$0.00	\$0.00	\$272.96
Halvor Lines	Invoice	12/15/2020	7632	1/14/2021	28	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Harris, Melissa	Invoice	12/2/2020	7595	1/1/2021	41	\$0.00	\$0.00	\$102.00	\$0.00	\$0.00	\$102.00
Hartwick, Adele	Invoice	12/15/2020	7631	1/14/2021	28	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Hatfield, Dan	Invoice	1/1/2021	7731	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hertz-Overland West	Payment	10/14/2020	6598	10/14/2020	90	\$0.00	\$0.00	\$0.00	(\$5.44)	\$0.00	(\$5.44)
Hillman Colin	Invoice	1/1/2021	7745	1/31/2021	11	\$0.00	\$240.00	\$0.00	\$0.00	\$0.00	\$240.00
Hughes, Timothy	Payment	12/22/2020	6820	12/22/2020	21	\$0.00	(\$663.00)	\$0.00	\$0.00	\$0.00	(\$663.00)
Hydro Solutions, Inc.	Invoice	1/1/2021	7702	1/31/2021	11	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	12/13/2020 - 1/11/2021 (30)	11/13/2020 - 12/12/2020 (60)	10/14/2020 - 11/12/2020 (90)	BEFORE 10/14/2020 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Informa	Invoice	12/15/2020	7633	1/14/2021	28	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Johnson, Richard	Invoice	1/1/2021	7727	1/31/2021	11	\$0.00	\$443.70	\$0.00	\$0.00	\$0.00	\$443.70
Johnston, Paul	Invoice	1/1/2021	7740	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Kern & Kompany	Invoice	9/21/2020	7319	10/21/2020	113	\$0.00	\$0.00	\$0.00	\$0.00	\$65.00	\$65.00
<b>Lake Country Air, LLC</b>						\$0.00	\$770.24	\$0.00	\$0.00	(\$40.00)	\$730.24
Lake Superior College	Invoice	12/30/2020	7679	1/29/2021	13	\$0.00	\$570.00	\$0.00	\$0.00	\$0.00	\$570.00
<b>Lake Superior Helicopters</b>						\$0.00	\$1,977.82	\$0.00	\$0.00	\$4,591.38	\$6,569.20
Lake Superior Warehousing CO., Inc.	Invoice	12/15/2020	7636	1/14/2021	28	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Lehto, Randy	Payment	12/29/2020	6806	12/29/2020	14	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Love Creamery	Payment	9/28/2020	6501	9/28/2020	106	\$0.00	\$0.00	\$0.00	\$0.00	(\$90.00)	(\$90.00)
Lyft, Inc.	Invoice	12/31/2020	7752	1/30/2021	12	\$0.00	\$190.50	\$0.00	\$0.00	\$0.00	\$190.50
<b>M &amp; M Light Transport</b>						\$0.00	\$193.35	\$193.35	\$0.00	\$0.00	\$386.70
Marsden BLD Maint. DBA Crystal Clean of the North	Invoice	12/30/2020	7684	1/29/2021	13	\$0.00	\$115.00	\$0.00	\$0.00	\$0.00	\$115.00
Maurices, Inc.	Invoice	9/1/2020	7262	10/1/2020	133	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00	\$900.00
Minnesota Power	Invoice	1/1/2021	7706	1/31/2021	11	\$0.00	\$446.18	\$0.00	\$0.00	\$0.00	\$446.18
<b>Monaco Air Duluth</b>						\$0.00	\$5,993.35	\$0.00	\$0.00	\$0.00	\$5,993.35
<b>Mountain Air Cargo</b>						\$0.00	\$1,549.68	\$1,549.68	\$1,549.68	\$0.00	\$4,649.04
Northland Constructors, Inc.	Invoice	1/1/2021	7710	1/31/2021	11	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
<b>Oakwells CR, LLC</b>						\$0.00	\$1,882.17	\$778.12	\$0.00	\$0.00	\$2,660.29
Olsen, Dr. Peter	Invoice	12/15/2020	7641	1/14/2021	28	\$0.00	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Oltman Robert	Payment	12/17/2020	6793	12/17/2020	26	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Opack Matthew Jr.	Invoice	1/1/2021	7742	1/31/2021	11	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Palmer, John	Invoice	1/1/2021	7743	1/31/2021	11	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
<b>Parsons Electric</b>						\$0.00	\$65.00	\$0.00	\$0.00	\$350.00	\$415.00
Parthe, Lance	Invoice	1/1/2021	7729	1/31/2021	11	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Payne, Robert	Invoice	1/1/2021	7725	1/31/2021	11	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
<b>QMS, INC.</b>						\$0.00	\$250.00	\$250.00	\$0.00	\$0.00	\$500.00
Rasier, LLC	Payment	1/11/2021	6853	1/11/2021	1	\$0.00	(\$255.00)	\$0.00	\$0.00	\$0.00	(\$255.00)
Rathbun, David	Invoice	1/1/2021	7734	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Reabe, Troy	Invoice	1/1/2021	7737	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	512	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
Richards, Chuck	Invoice	9/11/2020	7051	10/11/2020	123	\$0.00	\$0.00	\$0.00	\$0.00	\$40.00	\$40.00
RS&H	Invoice	1/1/2021	7723	1/31/2021	11	\$0.00	\$2,067.56	\$0.00	\$0.00	\$0.00	\$2,067.56
Saran, Rajiv	Payment	12/17/2020	6798	12/17/2020	26	\$0.00	(\$153.00)	\$0.00	\$0.00	\$0.00	(\$153.00)
Sayles Gregory & Karen	Invoice	12/15/2020	7644	1/14/2021	28	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Security Jewelers	Invoice	1/1/2021	7724	1/31/2021	11	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
SEH	Invoice	1/1/2021	7713	1/31/2021	11	\$0.00	\$718.34	\$0.00	\$0.00	\$0.00	\$718.34
Stevens, Mike	Invoice	1/1/2021	7736	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Structall Building System	Invoice	12/15/2020	7647	1/14/2021	28	\$0.00	\$1,200.00	\$0.00	\$0.00	\$0.00	\$1,200.00

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT  Open Balance	12/13/2020 - 1/11/2021 (30)  Open Balance	11/13/2020 - 12/12/2020 (60)  Open Balance	10/14/2020 - 11/12/2020 (90)  Open Balance	BEFORE 10/14/2020 (>90)  Open Balance	TOTAL  Open Balance
Superior Water, Light & Power	Invoice	5/15/2020	6861	6/14/2020	242	\$0.00	\$0.00	\$0.00	\$0.00	\$276.00	\$276.00
Swinkels, Eric	Invoice	1/1/2021	7663	1/31/2021	11	\$0.00	\$612.00	\$0.00	\$0.00	\$0.00	\$612.00
<b>Sydow Dan</b>						\$0.00	\$185.35	\$0.00	\$0.00	\$0.00	\$185.35
The Jamar Company	Invoice	9/21/2020	7314	10/21/2020	113	\$0.00	\$0.00	\$0.00	\$0.00	\$115.00	\$115.00
<b>The Landline Company</b>						\$0.00	\$3,550.14	\$4,117.14	\$0.00	\$0.00	\$7,667.28
Thorne, Joe	Invoice	12/1/2020	7586	12/31/2020	42	\$0.00	\$0.00	\$147.00	\$0.00	\$0.00	\$147.00
Toivola, Kevin	Payment	12/17/2020	6800	12/17/2020	26	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Torgerson, Matthew	Invoice	7/15/2019	5413	8/14/2019	547	\$0.00	\$0.00	\$0.00	\$0.00	\$60.00	\$60.00
Transportation Security Administration	Invoice	12/30/2020	7692	1/29/2021	13	\$0.00	\$8,064.00	\$0.00	\$0.00	\$0.00	\$8,064.00
unifi	Invoice	12/30/2020	7691	1/29/2021	13	\$0.00	\$1,995.00	\$0.00	\$0.00	\$0.00	\$1,995.00
United Parcel Service	Invoice	12/30/2020	7688	1/29/2021	13	\$0.00	\$65.00	\$0.00	\$0.00	\$0.00	\$65.00
<b>Werpy, Jonas</b>						\$0.00	\$318.35	\$0.00	\$0.00	\$0.00	\$318.35
Wicklein, John	Invoice	12/1/2020	7596	12/31/2020	42	\$0.00	\$0.00	\$153.00	\$0.00	\$0.00	\$153.00
Williams, Ron	Invoice	1/1/2021	7738	1/31/2021	11	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
<b>Total</b>						(\$5,375.34)	\$77,570.47	\$3,590.27	\$1,544.24	\$24,303.38	\$101,633.02

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## DULUTH AIRLINE STATISTICS ALL SCHEDULED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2019/2020 PASS. INCREASE/DECREASE			
	2018	2019	2020	2018	2019	2020	2018	2019	2020	ORIG	% DIFF	TOTAL	% DIFF
JAN	8,797	9,589	12,946	7,939	8,729	11,437	16,736	18,318	24,383	3,357	35.01	6,065	33.11
FEB	8,453	8,663	12,774	7,875	8,229	12,337	16,328	16,892	25,111	4,111	47.45	8,219	48.66
MAR	11,915	12,498	7,703	11,824	12,124	8,842	23,739	24,622	16,545	(4,795)	(38.37)	(8,077)	(32.80)
APR	11,172	11,429	577	11,665	11,631	666	22,837	23,060	1,243	(10,852)	(94.95)	(21,817)	(94.61)
MAY	10,907	12,376	849	11,409	12,744	638	22,316	25,120	1,487	(11,527)	(93.14)	(23,633)	(94.08)
JUN	11,970	14,727	1,494	12,723	15,576	1,526	24,693	30,303	3,020	(13,233)	(89.86)	(27,283)	(90.03)
JUL	13,493	16,096	3,121	14,446	16,016	3,327	27,939	32,112	6,448	(12,975)	(80.61)	(25,664)	(79.92)
AUG	13,913	16,868	5,727	13,704	16,846	5,754	27,617	33,714	11,481	(11,141)	(66.05)	(22,233)	(65.95)
SEP	12,874	15,070	5,664	12,329	13,676	5,666	25,203	28,746	11,330	(9,406)	(62.42)	(17,416)	(60.59)
OCT	13,579	15,224	5,652	13,011	14,568	5,059	26,590	29,792	10,711	(9,572)	(62.87)	(19,081)	(64.05)
NOV	10,974	12,461	4,418	10,846	12,341	4,349	21,820	24,802	8,767	(8,043)	(64.55)	(16,035)	(64.65)
DEC	9,946	12,850	4,449	10,205	13,649	4,533	20,151	26,499	8,982	(8,401)	(65.38)	(17,517)	(66.10)
TOTAL	137,993	157,851	65,374	137,976	156,129	64,134	275,969	313,980	129,508	(92,477)	(52.98)	(184,472)	(52.58)

### TOTALS WITH CHARTER INCLUDED

Month	Enplanements			Deplanements			Total
	2018	2019	2020	2018	2019	2020	
JAN	9,100	9,876	13,252	8,465	9,016	11,743	24,995
FEB	8,556	8,663	12,950	7,978	8,229	12,513	25,463
MAR	12,222	12,818	7,703	11,968	12,444	8,842	16,545
APR	11,666	11,666	577	11,997	11,631	666	1,243
MAY	11,052	12,687	849	11,568	13,234	638	1,487
JUN	12,121	14,895	1,494	12,874	15,744	1,526	3,020
JUL	13,744	16,390	3,121	14,697	16,310	3,327	6,448
AUG	13,913	16,982	5,727	13,704	17,161	5,754	11,481
SEP	13,156	15,400	5,664	12,611	14,006	5,666	11,330
OCT	13,739	15,224	5,823	13,171	14,568	5,230	11,053
NOV	11,108	12,761	4,508	10,980	12,641	4,439	8,947
DEC	10,108	12,850	4,449	10,367	13,649	4,533	8,982
Total	140,485	160,212	66,117	140,380	158,633	64,877	130,994



## DULUTH AIRLINE STATISTICS DELTA AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2019/2020 PASS. INCREASE/DECREASE			
	2018	2019	2020	2018	2019	2020	2018	2019	2020	ORIG	%DIFF	TOTAL	%DIFF
JAN	4,972	5,402	6,698	4,597	5,053	6,026	9,569	10,455	12,724	1,296	23.99	2,269	21.70
FEB	4,941	4,281	6,401	4,623	4,082	6,244	9,564	8,363	12,645	2,120	49.52	4,282	51.20
MAR	7,360	7,153	3,973	7,334	7,108	4,777	14,694	14,261	8,750	(3,180)	(44.46)	(5,511)	(38.64)
APR	6,606	6,867	331	6,688	6,882	438	13,294	13,749	769	(6,536)	(95.18)	(12,980)	(94.41)
MAY	6,717	7,035	374	6,857	7,187	377	13,574	14,222	751	(6,661)	(94.68)	(13,471)	(94.72)
JUN	6,780	7,542	685	7,000	7,706	680	13,780	15,248	1,365	(6,857)	(90.92)	(13,883)	(91.05)
JUL	7,225	8,748	2,122	7,989	8,648	2,277	15,214	17,396	4,399	(6,626)	(75.74)	(12,997)	(74.71)
AUG	7,751	8,673	3,487	7,679	8,437	3,595	15,430	17,110	7,082	(5,186)	(59.79)	(10,028)	(58.61)
SEP	6,634	8,092	3,941	6,560	7,389	3,908	13,194	15,481	7,849	(4,151)	(51.30)	(7,632)	(49.30)
OCT	7,162	8,041	3,576	6,965	7,727	3,411	14,127	15,768	6,987	(4,465)	(55.53)	(8,781)	(55.69)
NOV	6,322	7,409	3,000	6,338	7,427	2,985	12,660	14,836	5,985	(4,409)	(59.51)	(8,851)	(59.66)
DEC	5,227	6,911	3,029	5,196	7,131	3,131	10,423	14,042	6,160	(3,882)	(56.17)	(7,882)	(56.13)
TOTAL	77,697	86,154	37,617	77,826	84,777	37,849	155,523	170,931	75,466	(48,537)	(50.81)	(95,465)	(50.00)

2019 Month	Non Rev	Revenue	2020 Non Rev	Revenue	Total
JAN	170	6,528	189	5,837	12,724
FEB	239	6,162	225	6,019	12,645
MAR	229	3,744	246	4,531	8,750
APR	18	313	8	430	769
MAY	33	341	29	348	751
JUN	52	633	42	638	1,365
JUL	59	2,063	73	2,204	4,399
AUG	93	3,394	125	3,470	7,082
SEP	92	3,849	142	3,766	7,849
OCT	140	3,436	140	3,271	6,987
NOV	99	2,901	109	2,876	5,985
DEC	147	2,882	139	2,992	6,160
Total	1,371	36,246	1,467	36,382	75,466

# DULUTH AIRLINE STATISTICS

## UNITED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2019/2020 PASS. INCREASE/DECREASE			
	2018	2019	2020	2018	2019	2020	2018	2019	2020	ORIG	%DIFF	TOTAL	%DIFF
JAN	3,825	4,187	4,031	3,342	3,676	3,300	7,167	7,863	7,331	(156)	(3.73)	(532)	(6.77)
FEB	3,512	4,382	3,850	3,252	4,147	3,678	6,764	8,529	7,528	(532)	(12.14)	(1,001)	(11.74)
MAR	4,555	5,345	2,168	4,490	5,016	2,351	9,045	10,361	4,519	(3,177)	(59.44)	(5,842)	(56.38)
APR	4,566	4,562	122	4,977	4,749	128	9,543	9,311	250	(4,440)	(97.33)	(9,061)	(97.32)
MAY	4,190	4,851	475	4,552	4,891	261	8,742	9,742	736	(4,376)	(90.21)	(9,006)	(92.45)
JUN	5,190	5,271	809	5,723	5,653	846	10,913	10,924	1,655	(4,462)	(84.65)	(9,269)	(84.85)
JUL	6,268	5,109	999	6,457	5,093	1,050	12,725	10,202	2,049	(4,110)	(80.45)	(8,153)	(79.92)
AUG	6,162	6,041	2,240	6,025	6,209	2,159	12,187	12,250	4,399	(3,801)	(62.92)	(7,851)	(64.09)
SEP	6,240	5,215	1,723	5,769	4,798	1,758	12,009	10,013	3,481	(3,492)	(66.96)	(6,532)	(65.24)
OCT	6,417	5,304	2,076	6,046	4,906	1,648	12,463	10,210	3,724	(3,228)	(60.86)	(6,486)	(63.53)
NOV	4,652	3,345	1,418	4,508	3,159	1,364	9,160	6,504	2,782	(1,927)	(57.61)	(3,722)	(57.23)
DEC	4,719	4,095	1,420	5,009	4,469	1,402	9,728	8,564	2,822	(2,675)	(65.32)	(5,742)	(67.05)
TOTAL	60,296	57,707	21,331	60,150	56,766	19,945	120,446	114,473	41,276	(36,376)	(61.80)	(73,197)	(62.21)

Month	2020		2020		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	111	3,920	86	3,214	7,331
FEB	100	3,750	78	3,600	7,528
MAR	83	2,085	79	2,272	4,519
APR	15	107	15	113	250
MAY	31	444	21	240	736
JUN	6	803	6	840	1,655
JUL	22	977	38	1,012	2,049
AUG	96	2,144	91	2,068	4,399
SEP	71	1,652	84	1,674	3,481
OCT	129	1,947	111	1,537	3,724
NOV	45	1,373	54	1,310	2,782
DEC	63	1,357	69	1,333	2,822
Total	772	20,559	732	19,213	41,276



# DULUTH AIRLINE STATISTICS

## AMERICAN AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2019/2020 PASS. INCREASE/DECREASE			
	2018	2019	2020	2018	2018	2020	2017	2018	2020	ORIG	%DIFF	TOTAL	%DIFF
JAN			2,217			2,111			4,328	2,217		4,328	
FEB			2,523			2,415			4,938	2,523		4,938	
MAR			1,562			1,714			3,276	1,562		3,276	
APR			124			100			224	124		224	
MAY		490			666								
JUN		1,914			2,217								
JUL		2,239			2,275								
AUG		2,154			2,200								
SEP		1,763			1,489								
OCT		1,879			1,935								
NOV		1,707			1,755								
DEC		1,844			2,049								
TOTAL	-	13,990	6,426	-	14,586	6,340	-	-	12,766	6,426		12,766	

Month	2020		2020		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	92	2,125	91	2,020	4,328
FEB	60	2,463	66	2,349	4,938
MAR	46	1,516	41	1,673	3,276
APR	24	100	73	27	224
MAY					-
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	222	6,204	271	6,069	12,766

## DULUTH AIRLINE STATISTICS CHARTERS

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2019/2020 PASS. INCREASE/DECREASE			
	2018	2019	2020	2018	2019	2020	2018	2019	2020	ORIG	% DIFF	TOTAL	% DIFF
JAN	303	287	306	526	287	306	829	574	612	19	6.62	38	6.62
FEB	103	-	176	103	-	176	206	-	352	176	100.00	352	100.00
MAR	307	320	-	144	320	-	451	640	-	(320)	(100.00)	(640)	(100.00)
APR	494	237	-	332	-	-	826	237	-	(237)	(100.00)	(237)	(100.00)
MAY	145	311	-	159	490	-	304	801	-	(311)	(100.00)	(801)	(100.00)
JUN	151	168	-	151	168	-	302	336	-	(168)	(100.00)	(336)	(100.00)
JUL	251	294	-	251	294	-	502	588	-	(294)	(100.00)	(588)	(100.00)
AUG	-	114	-	-	315	-	-	429	-	(114)	(100.00)	(429)	(100.00)
SEP	282	330	-	282	330	-	564	660	-	(330)	(100.00)	(660)	(100.00)
OCT	160	-	171	160	-	171	320	-	342	171	100.00	342	100.00
NOV	134	300	90	134	300	90	268	600	180	(210)	(70.00)	(420)	(70.00)
DEC	162	-	-	162	-	-	324	-	-	-	-	-	-
TOTAL	2,492	2,361	743	2,404	2,504	743	4,896	4,865	1,486	(1,618)	(46.95)	(3,379)	(46.95)

Month	ATLAS	SUN CO.	JET BLUE	VISION	Swift Air	Allegiant	Total
JAN		354			258		612
FEB		352					352
MAR		-					-
APR		-					-
MAY		-					-
JUN		-					-
JUL		-					-
AUG		-					-
SEP		-					-
OCT		342					342
NOV		180					180
DEC		-					-
Total	-	1,228		-	258	-	1,486

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**Resolution to Approve Amendment No. 1 of Grant Agreement 5542B between St. Louis County and the Duluth Airport Authority.**

TERMS:

- Price: Increase of \$25,000 to \$75,000 grant as part of a local funding match.

ARGUEMENT OVERVIEW (CONTEXT):

- The Duluth Airport Authority will be re-submitting a Small Community Air Service Development (SCASD) grant request to the US Department of Transportation to support new air carrier service to Denver.
- Grant Agreement 5542B was approved in July of 2019 for a total pledge amount of \$50,000.
- St. Louis County has pledged to increase their support from \$50,000 to \$75,000 per this amendment.

Prepared by: Joelle Bodin

**Amendment No. 1**  
Original Damion.....2019-013054

**THIS AMENDMENT** is entered by and between the **County of St. Louis**, a body corporate and politic existing under the laws of the state of Minnesota (the "County"), and **Duluth Airport Authority**; a Minnesota nonprofit corporation, located at 4701 Grinden Drive, Duluth, Minnesota 55811

**WHEREAS**, the County and Contractor entered into a Contract, hereinafter referred to as the "Original Contract" on July 24, 2019 as the Duluth Airport Authority is applying for a Department of Transportation (DOT) grant called the Small Community Air Service Development Grant Program (SCASD) that is set up for communities that struggle with high fares, limited connections and a lack of competition among air carriers; and

**WHEREAS**, the Duluth Airport Authority is requesting a \$1 Million revenue guarantee to attract an air carrier to fly 2 – 3 times per day between Denver, Colorado and Duluth, Minnesota. A local funding match is a strong signal by local government and local businesses that expanding air service is important to our region's economy and quality of life; and

**WHEREAS**, the Duluth Airport Authority approached the County with a request for funding in the amount of \$50,000.00 to be used for this purpose; and

**WHEREAS**, in accordance with its strategic priority of promoting economic development within the region, the County approved a grant in the amount of \$50,000.00 to the Duluth Airport Authority as part of the local funding match; and

**WHEREAS**, the Duluth Airport Authority and the County determined to extend the original pledge of \$50,000.00 and increase it by \$25,000.00 to a total pledge in the amount of \$75,000.00.

**WHEREAS**, the parties desire to amend the Original Contract so as to enable both parties to continue to enjoy the mutual benefits it provides; and

**WHEREAS**, Paragraph 11 of the Original Contract provides that any amendments shall be valid only when expressed in writing and duly signed by the parties;

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. The Duluth Airport Authority and the County agreed to extend the original pledge of \$50,000.00 and increase it by \$25,000.00 to a total pledge in the amount of \$75,000.00.
2. All other provisions of the Original Contract, except as amended herein, shall remain in full force and effect.

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**IN WITNESS WHEREOF**, the parties have hereto executed this Amendment on the day and year below.

**Duluth Airport Authority**

By: \_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**County of St. Louis**

By: \_\_\_\_\_  
**Kevin Z. Gray**  
Department Head

Date: \_\_\_\_\_

By: \_\_\_\_\_  
**Michael Jugovich**  
Chair, County Board

Date: \_\_\_\_\_

By: \_\_\_\_\_  
**Nancy Nilsen**  
Auditor

Date: \_\_\_\_\_

**APPROVED AS TO FORM & EXECUTION:**

By: \_\_\_\_\_  
**James Nephew**  
Assistant County Attorney

Date: \_\_\_\_\_

Damion Number: 2021-014330