

October 2021 Finance Updates & Resolutions



Finance Updates

- CRRSA/ARPA Relief:
 - CRRSA Relief approved at last board meeting, accounting completed and awaiting final signature from state on grants and processing.
 - ARPA – Awaiting grants. Getting approval at this board meeting in advance. Concessionaire relief plan is prepared and awaiting approval.
 - Bond Refunding – Bond sale will be tomorrow (Oct. 20th). New payment schedule is expected to be provided at the November board meeting.
 - DYT Rates & Charges – We held these back for approval in November. Fueling discounts as well as tie down charges have been updated and are being refined.

Resolutions A-C: ARPA Grants

- 3rd Round of COVID Relief Funding
 - A. \$2,355,321 for DLH
 - B. \$133,243 for DLH Concessionaire Relief
 - C. \$32,000 DYT

Resolution D. 2022 Rates & Charges



DULUTH INTERNATIONAL AIRPORT

2022 Rates and Charges Addendum

Effective January 1, 2022 - To Be Adopted October 19, 2021

Passenger Terminal Fees (Per Square Foot)	Airline Leased Premises	\$23.07	
	Non-Airline Terminal Tenant Rate (Reference Per Agreement)	\$41.08	
Aircraft Landing Fee (Per 1,000 lbs MGLW)	Signatory Carrier	\$2.08	
	Non-Signatory Carriers (125% more)	\$2.60	
	Transient	\$0.96	
	FBO Tenant	\$0.00	
Per Use Fee	Non-Signatory Carriers (125% more)	\$563.56	
International Arrivals Facility	Less than 50,000 lbs. MGLW	\$75.00	
Per Use Fee	50,001-175,000 lbs. MGLW	\$175.00	
	175,001 lbs. MGLW and above	\$275.00	
Commercial Aeronautical Application Fee	Per application fee for commercial aeronautical operations	\$100.00	
Terminal Ramp Aircraft Parking Fees	Signatory Carrier	\$0.00	
Non-Terminal FBO Charged Aircraft Parking Fees (Per 1,000 lbs MGLW)	<u>Category by MGLW (lbs.)</u>	<u>Per Night</u> (24 hour period)	<u>Per Month (Calendar)</u>
	12,499 & Under	\$15.00	\$120.00
	12,500 - 49,999	\$63.00	\$504.00
	50,000 - 99,999	\$125.00	\$1,000.00
	100,000 & Over	\$256.00	\$2,048.00
Exclusive Use Cargo Ramp Fee	Per calendar month exclusive use cargo ramp fee		<u>Per Month (Calendar)</u> \$1,549.68
Passenger Facility Charge (PFC)	\$4.50 Per enplaned commercial passenger, Per FAA Approved PFC Application		
DAA Owned Hangar Rental Rates (Per Each) *50 Discount if paid in full by January 31 of lease year.	<u>Hangar Type</u>		<u>Per Month (Calendar)</u>
	West T-Hangars*		\$186.00
	East T-Hangars*		\$186.00
	East Ranch Hangars*		\$237.00
	Other	Set by Lease Agreement	
Fuel Flowage Fee (Fee Per Gallon)	FBO Charged In-to Plane Fee (Increased annually by CPI, no decreases)	\$0.040	
	FBO Charged Aviation, Heating & Auto Fuel Fee	\$0.09	
	Fee Per Gallon - Other Airport Operator		Set by Operator Agreement
Parking Fees & Permits (Includes Tax)	0-1 Hour	\$3.00	
	1-2 Hours	\$5.00	
	2-6 Hours	\$9.00	
	6-24 Hours (Daily)	\$13.00	
	Weekly	\$78.00	
	Corporate Surface Permit (Annual)	\$1,200.00	
	Corporate Garage Permit (Annual)	\$2,000.00	
	Airport Employee Tenant Permit (Annual)	\$96.00	
	Airline Crew Overnight Permit (Monthly or Annual)	\$51.00	\$612.00
	Tenant Commercial Parking Agreement (Monthly or Annual)	\$250.00	\$3,000.00

Commercial Vehicle Fees & Permits (Includes Tax)	Taxi/Limo/Hotel Shuttle Permit (Annual)	\$200.00	Per Each Vehicle
	Passenger Shuttle Service Permit - Reqs. Operator Agreement (Annual)	\$500.00	Per Each Vehicle
	Transportation Network Company Permit (Annual)	\$1,500.00	Per Company
	Transportation Network Company Per Trip Fee	\$1.50	Per Pick-Up & Drop Off
Ground & Commercial Vehicle Violations	Airport Employee Parking Violation		TBD
	Commercial Vehicle Violation		\$100.00
Business Services Club Pass (Sponsorship Agreement Passes not included)	Per Pass Fee to Access Business Services Club Room		\$150 per pass
Conference Room/Space Rates & Fees (20% Discount for Airport Airport Terminal Tenants)	<u>Room/Space</u>	<u>0-2 Hours</u>	<u>2-4 Hours</u>
	2nd Floor Mezzanine	\$200.00	\$250.00
	2nd Floor Conference Room - Room 250	\$50.00	\$75.00
	3rd Floor Conference Room - Amatuzio A	\$100.00	\$150.00
	3rd Floor Conference Room - Amatuzio B	\$75.00	\$100.00
	3rd Floor Conference Room - Amatuzio C	\$75.00	\$100.00
	3rd Floor Conference Room - Amatuzio A&B	\$125.00	\$175.00
	3rd Floor Conference Room - Amatuzio B&C	\$125.00	\$175.00
	3rd Floor Conference Room - Amatuzio A,B,C	\$150.00	\$200.00
	Technology Capability	\$25.00	\$50.00
Badging Fees (All fees to be paid regardless of whether badge is issued)	SIDA & Sterile Badge		\$200.00
	AOA Badge		\$125.00
	Landside Badge		\$65.00
	AOA Renewal		\$65.00
	SIDA & Sterile Renewal		\$115.00
	AOA Renewal (Past Expiration)		\$125.00
	SIDA Renewal (Past Expiration)		\$175.00
	Incomplete		\$100.00
	Lost or Non-Returned Badge		\$125.00
	Construction Badge Additional Handling Fee		\$50.00
SIDA Violations	1) First Offense - \$50.00 and retraining		
	2) Second Offense - \$100.00, 10-day SIDA badge suspension and retraining		
	3) Third Offense - SIDA badge revocation (for a minimum of twelve months)		
	DAA reserves the right to revoke SIDA badge and not reissue based on violation investigation		
Airport Car Rental Customer Facility Charge (CFC)	Rental Car Transaction Per Day Charge for up to Maximum of 4 Days		\$4.00

Resolution E. 2022 Annual Budget

Financial Row	Proposed Annual Budget 2022
Ordinary Income/Expense	
Income	
Total - Non-Aeronautical Revenue	\$2,907,180
Total - Non-Passenger Aeronautical Revenue	\$1,485,468
Total - Passenger Airline Aeronautical Revenue	\$1,236,318
Total - Income	\$5,628,966
Gross Profit	\$5,628,966
Expense	
Miscellaneous Expenses	\$36,670
Total - Personnel Compensation & Benefits	\$2,639,812
Total - Services and Charges	\$2,127,207
Total - Supplies	\$674,195
Total - Expense	\$5,477,884
Net Ordinary Income	\$151,083
Other Income and Expenses	
Other Income	
Total - Non-Operating Revenue	\$593,006
Total - Other Income	\$593,006
Other Expense	
Total - Non-Operating Expense	\$285,512
Total - Other Expense	\$285,512
Net Other Income	\$307,494
Net Income Exclusive of Project Expenses, Depreciation & Amortization	\$458,576
Projects/Grants	
Capital Contributions	
Total - Contributed Capital	\$907,964
Total - Grants	\$11,948,420
Total - Capital Contributions	\$12,856,383
Total - Projects/Grants	\$12,856,383
Capital Improvement Costs	\$12,755,311
Loan Principal	\$890,000
CFC's Reserved for Approved Projects	\$79,663
Coverage for Hangar 103 Amortization	\$75,000
PFCs To be Collected In the Future	(\$485,016)
Positive (Negative) Budget Variance	\$0

MAJOR TAKE AWAYS:

- No changes from the draft budget. Material changes weren't necessary.
- Nearly \$1.1M in COVID relief funds is planned to be used to keep budget at a 0 base.
- Our expected annual debt service in 2022 for all long-term debt is \$1.1M.
- 5% rate increase to Signatory Airline rates has been proposed and many other rates are being updated as well.
- Passenger related concession revenue was estimated to be 85% of 2019. Other revenues were determined based on current activity and contracted rates.
- Expenses were evaluated and updated using priority-based budgeting.
- Strategy to utilize relief funds during 2022 has been identified to allow the DAA staff to tackle deferred maintenance and outstanding projects.

Resolution F. Write off Republic Parking

- \$750,000 total MAG for 2020-2021 contract year
- \$330,923.82 Unmet MAG
- COVID Relief Provided \$22,093
- Republic paid another \$37,500 and operated at a loss during the contract period.
- Worked with a couple of board members to determine DAA's position.
- All other airports with concession agreement, except one waived MAG.
- Requesting write-off of remaining \$271,330.82

2021-2022 MAG	\$ (750,000.00)
Concession Received	\$ 419,076.00
Unmet MAG	\$ (330,923.82)
COVID Relief Provided	\$ 22,093.00
Additional Payment Received	\$ 37,500.00
Write-off Requested	\$ (271,330.82)