



DULUTH INTERNATIONAL AIRPORT

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MINUTES OF THE MEETING

DATE: October 19, 2021

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

DIRECTORS PRESENT: Kim Maki
Jeff Anderson
Don McIsaac
Kevin O'Brien

DIRECTORS ABSENT: Craig Fellman
Todd Fedora
Elissa Hansen

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
Mark Papko, Director of Operations
Natalie Peterson, Director of Communications & Marketing
Jana Kayser, Business Development Manager
Joelle Bodin, Finance & Administration Director
Matt Stewart, SEH
Mr. John DeCoster, Landrum & Brown
Bill King, Cirrus Design
Jamie Riddle, Cirrus Design
Scott Sannes, SEH

OTHERS PARTICIPATING VIA ELECTRONICS
MEANS: Kathy Leon, Confidential Bookkeeper
Don Monaco, Monaco Air
Mike Magni, Monaco Air
Steve Cauchon, Avis
Randine Lepage, Avis
Eric Monson, Lake Superior Helicopters

Vice President Maki welcomed everyone to the DAA October Board meeting and called it to order at 8:00 a.m. She performed roll call noting President Fellman, Dir. Fedora and Dir. Hansen as absent. Due to timing issues, she recommended a motion to change the agenda and move New Business to first on the agenda. Dir. O'Brien moved to have New Business items be first on the agenda. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

NEW BUSINESS

Vice President Maki explained the first three resolutions would be summarized together and then voted on separately. Ms. Joelle Boden, Finance & Administration Director, overviewed the COVID relief grants for Duluth International and Sky Harbor airports. Dir. McIsaac moved to accept and approve the resolution for the COVID Relief Airport Rescue Grant (ARPA) in the amount of \$2,355,321 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Dir. Anderson moved to accept and approve the resolution for the COVID Relief Airport Rescue Grant (ARPA) concessionaire relief grant in the amount of \$133,243 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Dir. McIsaac moved to accept and approve the resolution for the COVID Relief Sky Harbor Airport Rescue Grant (ARPA) in the amount of \$32,000 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Ms. Bodin spoke on the rates and charges and recommended approval. Dir. O'Brien moved to approve the resolution to approve the 2022 rates and charges addendum for DLH. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Ms. Bodin reviewed the draft budget, highlighting the key points, she recommended approval. Questions and discussion followed. Dir. McIsaac moved to approve the resolution for the Duluth Airport Authority 2022 annual budget. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Ms. Bodin summarized on the Republic Parking write off due to the results of the COVID pandemic effect on the parking lot revenues. She recommended approval. Questions followed. Dir. McIsaac moved to approve the resolution for the write-off of an accounts receivable balance of \$271,330.82 for Republic Parking per Operating Policy #23 due to the COVID-19 pandemic effect on parking lot revenues. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Ms. Jana Kayser, Business Development Manager, explained this amendment ties in with the above resolution and briefed on the agreement. Questions followed. Dir. O'Brien moved to approve the resolution for the first amendment to the airport parking facilities management agreement with Republic Parking. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Mr. Mark Papko, Director of Operations, spoke on the new skid steer, which is an asset for the terminal facilities, and detailed on the purchase and trade in for the old. Questions followed.

Dir. Anderson moved to approve the resolution to purchase a skid steer (and attachments) from Ziegler CAT in the amount of \$94,220. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Mr. Papko gave background information on the work order and overviewed on the replacement of lighting and signage project, RFQ timeline and process. Dir. Anderson abstained. A short break from 8:26 a.m. to 8:32 a.m. for conversation and research regarding quorum present and an abstention. Vice President Maki called the meeting back to order -- based on Robert's Rule a quorum is needed to hold a meeting and then a majority affirmative vote at the meeting for passage. Abstentions do not count as a vote for or against; three affirmative votes are enough for passage -- they moved forward with the vote. Dir. McIsaac moved to approve the resolution to select Short Elliott Hendrickson (SEH) for Professional Airport Consulting Services for the replacement of Runway 3-21 lighting and signage project at the Duluth International Airport. Dir. O'Brien seconded. Roll call – Dir. Anderson abstained; Vice President Maki, Dir. McIsaac and Dir. O'Brien ayes. Motion carried.

Vice President Maki moved the agenda back to the Executive Review. Mr. Tom Werner, Executive Director, thanked the Board of Directors for their flexibility and updated on the review:

EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: Spoke on the airport air service presentation highlighting September total passengers year to date, total load factors by route, seats, national and local air services news; spoke on key metrics statistics – air cargo, fuel sales, rental cars, parking lot and restaurant.
- Operations/Construction/Planning: Planning: Master Plan (MP) and Part 150 Noise Study -- Mr. Matt Stewart, SEH, introduced himself and updated on the Part 150 noise study reviewing the public outreach, next steps and timeline for the public workshop and public hearing, Public Advisory Committee (PAC) meeting, final DAA Board adoption and submittal of final documents. He spoke on the MP recent activities, meetings, next steps, major milestones to completion and timeline -- all materials and summaries are posted to the project website; Mr. Werner reminded everyone of the upcoming key engagements and detailed further. Mr. John DeCoster, Landrum & Brown, introduced himself, presented background information and a high-level overview of the financial chapter of the MP – summarizing on the financial chapter deliverables, primary sources of funding, feasibility, recommendations, and CPE projections. Mr. Werner overviewed and detailed further; questions followed.

Dir. Anderson left the meeting 8:55 a.m. and returned at 9:12 a.m.

- Operations/Construction: Mr. Papko reviewed the Tower mill and overlay project and reported the terminal roof replacement project is complete.

- Sky Harbor – Mr. Stewart, SEH, spoke on the Sky Harbor master plan project progress, ongoing conversation regarding Customs Border Protection (CBP) service, facility needs, and feedback; working and finalizing a cost estimate on what a facility would look like. Mr. Werner added further information.
- Business/Proper Development: Ms. Kayser reviewed the third quarter car rental meeting – very good and collaborative meeting. She updated on the Hangar 104 appraisal, meetings, and timeline – should be complete within six to eight weeks.
- Financial Update: Ms. Boden overviewed and detailed on the ARPA and CRRSA concessionaire relief, bond refunding, Sky Harbor rates and charges, and timeline for the budget before the Duluth City Council.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications & Marketing, summarized and detailed on the 2021 marketing community campaign highlighting the goals, strategy, ads, and media schedules. She presented the Sun Country campaign as well. Questions and discussion followed; Mr. Werner detailed further.
- Legislative: Mr. Werner spoke on the FAA reauthorization bill due to expire in another 16 to 18 months, locally working with the delegation regarding the traffic control, tower replacement and funding. He updated on several other items that came out of the recent local Air Service Action Committee meeting.
- Other: Mr. Werner reviewed the very long process for the new DLH zoning ordinance. At the last Joint Airport Zoning Board (JAZB) meeting they accepted and approved this ordinance; he thanked all past and current JAZB members involved through the years, with a special thanks to Mr. Don Monaco, for all the hard work and commitment toward this endeavor. Mr. Werner mentioned he is anticipating Board vacancies next year and encouraged all if they are aware of anyone interested in this Board, to please forward that information to him.

Dir. O'Brien moved to approve the September 21, 2021 meeting minutes and consent items. Dir. McIsaac seconded. Roll call, all ayes, motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #35, #36, #33 and #37, 2021. Construction fund disbursement sheet #9 2021.

Letter from Cirrus Aircraft to DAA regarding Hangar 101 site.

Airport news: Post Bulletin "United to End Rochester Flights to Denver After a Year" and DLH press release "Airport Noise Compatibility Study Public Workshop & Hearing".

E-Mail from Monaco Air Foundation with summary of September 2021 activities.

State of Minnesota Department of Transportation findings, conclusions and order in the matter of the approval of zoning regulations for the Duluth International Airport.

Press release for airport noise compatibility study public workshop to be held November 2, 2021.

Letter from Reef Parking / Republic Parking System to DAA summarizing request regarding the minimum annual guarantee and payment and response letter from DAA to Reef/Republic

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Parking.

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

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

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

Dir. McIsaac moved to adjourn the meeting. Dir. O'Brien seconded. Roll call – all ayes, motion carried. Vice President Maki adjourned the October 19th DAA board meeting at 10:08 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  _____

DATE: 11-16-21