

## MINUTES OF THE MEETING

DATE: February 21<sup>st</sup>, 2023

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

DIRECTORS PRESENT: Kevin O'Brien  
Michael Henderson  
Dan Markham  
Jeff Anderson-Virtual  
Jason Crawford  
Elissa Hansen

OTHERS PRESENT: Tom Werner, Executive Director  
Mark Papko, Director of Operations  
Steve Hanke, Assistant City Attorney  
Jana Kyser, Director of Business Development  
Natalie Baker, Director of Communications and Marketing  
Joelle Bodin, Director of Finance  
Amanda McDonald, DAA  
Krista Busse, DAA  
Kaci Nowicki, SEH  
Shawn McMahan, SEH  
Mike Magni, Monaco Air

OTHERS PARTICIPATING VIA ELECTRONICS  
MEANS:

Don Monaco, Monaco Air  
Matthew Stewart, SEH  
Allison Andrashko, SEH  
Paul Huston, HNTB  
Mark Schramek, Cirrus  
Jamie Riddle, Cirrus  
Kathy Leon, DAA

Vice President O'Brien called the DAA February board meeting to order at 8:00 a.m. He performed roll call – Dir. Henderson, Dir. Anderson, Dir. Markham, Dir. Crawford, Dir. Hansen present, Pres. Maki, absent. Vice President O'Brien invited Mr. Tom Werner to update on the Executive Director's review:

- Air Service: Mr. Werner presented the air service update noting total January passengers, seats, and advanced bookings; nationally, A4A, the Trade Organization that represents all the major airlines, has said that job growth within the US passenger airline industry is outpacing job growth nationwide. Mr. Werner also noted that employees earn 37% higher wages than the average private sector employee. Locally, Delta will begin mainline service as of March 9, 2023, adding a 717 aircraft with 110 seats per day. Mr. Werner briefly mentioned a study regarding regional ground

shuttle operations between Landline and Sun Country and non-aeronautical revenue benefits. Also noted that DLH is currently capturing 20% of the Hibbing and Grand Rapids markets today. Adding shuttle service from Northern Minnesota to DLH would increase the demand for a flight route to Denver.

- Planning, Operations, and Maintenance:
  - Mr. Papko gave an update regarding the 5-Year Engineering and Planning Request for Qualification. The solicitation closed in January. One submission was received from SEH. The contract is currently in negotiations. Hopeful to have a contract to approve in March.
  - Mr. Papko provided an update on the HUB parking system mentioning that we are “live and well in our parking lots”. A change has been made to the parking vouchers by removing the “Pay by Phone” QR code to simplify the process for guests. Phone calls are trending downward as DLH adjusts to the new system.
  - Mr. Papko provided a summary of the Terminal Security Incident that took place on January 31, 2023. An individual made threats to not only individuals within the airport, but also to airports safety and security. Appropriate notifications were made to law enforcement. Six different law enforcement agencies responded extremely fast to support us.
- Business/Property Development: Ms. Kayser noted that DLH is working with Oakwells (Arrowhead Taphouse) to confirm details regarding the construction safety phasing plan due to construction being performed in done in the sterile area, and being sure that the process can move smoothly, and TSA approves. She also provided an update regarding Ranch Hangar construction project is out for bid until the beginning of March. If timing allows, contracts will be presented to the Board in March for approval. Ms. Kayser stated that Life Link contacted DAA to express interest in having a location at DLH. More information to follow as discussions take place. Ms. Kayser also provided an update regarding Great Lakes Excursions. They are the company that handles onboarding and offboarding the passengers that access the Great Lakes Cruise in Duluth. GLE will have a small presence at DLH to transport passengers to and from the ship. June is the first cruise. DLH will see an increase in passengers surrounding the dates of cruising,
- Financial Update: Ms. Joelle Bodin, Director of Finance, updated that she is working on Purchase Policy #18 to include more language around federal, and state funded projects and the different requirements that pertain to the different types of funding used. Ms. Bodin noted that the DAA is preparing information to be provided to auditors so that they can start work remotely, with plans to have auditors in the office in March when they are ready to confirm their schedule. Ms. Bodin provided her financial update for 2022. She stated a positive variance for 2022. She discussed a summary of non-aeronautical, non-passenger, and passenger airline revenues, along with Expenses, Non-Operating, COVID Relief Grant summary and Operating Policy Minimum Cash Balance Policy. Ms. Bodin provided a slide summary of Non-Aero-Nautical Revenue Concessions excluding MAG Reconciliations, Relief and Write Offs for 2020-2021 and 2022. She also discussed CPE (Cost per Enplaned Passenger).
- Marketing/Communications: Ms. Baker. stated the DAA participated in a successful event at Duluth and St. Louis County Days. Ms. Baker stated Spring advertising will continue with Google, Spotify and Facebook and also art on all of our billboards will be updated, which is 5 different locations. Ads will also be placed with local television stations. Ms. Baker provided information regarding selection of a new or renewal of the current marketing agreement with SWIM and how it will coincide with the development of a new marketing campaign over the summer.

- Legislative: Mr. Werner briefed the board on City Code Chapter 4. The city has completed their initial review. A meeting will take place in the next week to discuss our proposal. Mr. Werner stated that the DAA now has a bill for the air traffic control tower project, as of February 20, 2023. Noted is that we have a \$14 million ask of the state. The DAA will be pursuing \$38 million in Federal grant money.
- Other: Mr. Werner provided an update that he has been working on with the 9 other commercial service airports in the state regarding a ban on PFAS or “forever chemicals”. These chemicals are included in many items of use in our daily life, in this case firefighting foam at the airport.
- Ms. Kayser introduced Jamie Riddle, Executive Director of Real Estate and Facilities for Cirrus Aircraft. He gave a remote presentation on Cirrus’ Master Plan, pointing out projects and work plan taking place in 2023 and beyond, including creation of an Innovation Center in the current AR building. That building will be finishing up over the summer. Roughly 60,000 square feet will be reclaimed for manufacturing in the facility on the South side of the runway. A lot of activity will be taking place this year around expansion in multiple areas of Cirrus’ business. Mr. Riddle introduced Mark Schramek, Cirrus, Government Affairs as well as Investor Relations. Mr. Riddle and Mr. Schramek are working closely on future developments.

Vice President O’Brien thanked everyone for their reviews and entertained a motion to approve the previous meeting minutes and consent items, making note of amendments needed to attendance and to Mark Schramek’s business affiliation. Motion to approve by Dir. Markham, second by Dir. Hansen. All ayes, motion carried, minutes approved for January.

#### CONSENT ITEMS

DAA Operating Check Registers #1, #2 of 2023, Operating ACH Payment Registers #1, #2 of 2023, Construction Check Register #1 of 2023.

E-Mail from Monaco Air Foundation with Summary of January 2023 Activities; February 1, 2023

Airports United Joint Policy Recommendations- January 2023

DLH ATCT Funding 1 pager

DLH Implements Upgrading Parking System

DLH Making Changes

Duluth International Airport Launching New Parking System

LASAC Proposed Amendment to HF742 6FEB23

LASAC Response HF742 AFFF & PFAS 30JAN23

Link for Metropolitan Airports Commission (MAC) Minutes -- <https://metroairports.org/archived-commission-meetings>

#### OPPORTUNITY FOR PERSONS TO BE HEARD

None.

#### OLD BUSINESS

None.

#### New Business

Resolution A. To Approve payment in the amount of \$73,200 to the City of Duluth for the 2023 cost allocation.

Motion to approve- Dir. Crawford

Second-Dir. Hansen

All ayes, motion carried.

Resolution B. To approve Amendment #1 to Work Order 2022-23 between the Duluth Airport Authority and Short Elliott Hendrickson Inc., for the inclusion of Phase II Environmental Site Assessment of the future ATCT Site 6.

Motion to Approve- Dir. Henderson

Dir. Anderson-Abstain

Second-Dir. Markham

All ayes, motion carried.

Resolution C. To approve Work Order 2023-1 Between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the design of Taxiway C (South)

Dir. Anderson-Abstain

Motion to approve- Dir. Hansen

Second- Dir. Crawford

All ayes, motion carried.

Resolution D. To transfer \$150,000 of Sky Harbor FAA entitlement funding to the Austin Municipal Airport in Minnesota for repayment of a 2016 transfer to Sky Harbor Airport.

Motion to approve- Dir. Crawford

Second- Dir. Henderson

All ayes, motion carried.

Resolution E. To approve the termination of the Master Services Agreement between Landrum and Brown and Duluth Airport Authority.

Motion to approve-Dir. Henderson

Second-Dir. Anderson

All ayes, motion carried.

Vice President O'Brien moved to adjourn the meeting; Dir. Crawford motioned to approve; Dir. Hansen seconded. Motion carried Vice President O'Brien adjourned the February 21, 2023, DAA board meeting at 9:22 a.m.

Respectfully submitted,

Krista Busse  
Executive Assistant

APPROVED: \_\_\_\_\_ DATE: \_\_\_\_\_