



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING MINUTES MARCH 21, 2023

MEETING LOCATION: **AMATUZIO CONFERENCE ROOM
DULUTH INTERNATIONAL AIRPORT**

DIRECTORS PRESENT: Kim Maki
Jeff Anderson – Participating via Electronic Means
Kevin O'Brien
Jason Crawford
Michael Henderson
Kevin O'Brien

OTHERS PRESENT: Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Admin
Natalie Baker, DAA Dir. of Communications & Marketing
Steve Hanke, Assistant City Attorney
Kaci Nowicki, SEH
Shawn McMahon, SEH
Scott Sannes, SEH

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Don Monaco, Monaco Air Duluth
Kathy Leon, DAA
Mark Schramek, Cirrus
Heather Fisher, Cirrus
Paul Huston

CALL TO ORDER: Dir. Maki called the DAA March board meeting to order at 8:00 a.m. Roll call was performed:

- Present: Dir. Crawford, Dir. O'Brien, Dir. Henderson, Dir. Anderson – via electronic means
- Absent: Dir. Elissa Hansen, Dir. Markham

Dir. Maki invited Mr. Tom Werner to update on the Executive Director's review:

I. EXECUTIVE DIRECTORS REVIEW

- **Air Service:** Mr. Werner provided an update on current air service. Mr. Werner presented that seat numbers for each airline and how they have been trending as they have trended upward. MSP seat count for April is 23% below 2019, Chicago 24% below 2019. EAS markets will be reducing capacity in their markets from 50 seat jets to 30 seat jets. Requested up gaging in capacity for the Great Lakes Excursions and Delta has responded. United is still considering their options. Sun Country market update will be in April. DAA will be pitching new service options and will see if Sun Country will consider service.
- **Operations/Construction/Planning:** Mr. Papko provided the following updates:
 - ATCT Architecture and Engineering RFQ has been posted. This RFQ will be posted through sometime in April and then this will come in front of the board for review in April.
 - Taxiway C North Reconstruction, we have been looking for alternative funding options and MnDOT was able to provide \$500,000 of funding to support this project. This construction will be completed this summer.



- Parking Technology Installation Update: Parking technology is up and running fairly smoothly. This project has been successful and taking the project in house is already proving to provide benefits to the DAA. More updates to come once we have a few months of data in our system.
- Aircraft Accident: The tragic incident of an Cirrus SR22 took off from DLH repositioning itself towards Superior and crashed in to the St. Louis River. Incident response outside the fence typically requires we inspect our runway to be sure that our runway was in clear and then test fuel to be sure that there was not a fuel concern. Runway and fuel at DLH were safe. Mr. Papko was driving home from work and was able to turn around and offer assistance to the incident commander.
- Sky Harbor Airport:
 - Airport Terminal Program Result: DYT received a \$1.2 Million offer at 95/5 as a part of IIAJ. This was our second application, last year we were unsuccessful and now we were.
 - DYT Staffing Update: Mr. Timm has decided to step away from aviation to move closer to family. From a cultural standpoint he has really turned that place around. He has resigned with his last day in early April. His position will be posted shortly.
 - Mr. Werner added that it is important that the board stay engaged in the Sky Harbor terminal project and encouraged board members to voice thoughts and get involved.
- **Business/Property Development:** Ms. Kayser provided an update on the following:
 - Cirrus Fuel Calibration Hangar: Ms. Kayser shared a map and location of a hanger which is currently leased by Cirrus. DAA has identified that area as a hangar that could be demoed and then rebuilt to be a fuel calibration hangar for Cirrus in support of their operations. DAA staff is working with Cirrus on the potential for this project. The DAA would be responsible for building the hangar and Cirrus would be responsible for tools and equipment needed within the hangar.
 - Stebner Road Development: Ms. Kayser shared an update on MN Power project on the north side of the airfield. Last week MN Power shared they have permission to continue to proceed on the project. MN Power is working through the design on the project. DAA staff will continue to work through the 163 release, EDA grant and utilities. Discrepancies were noted with the St. Louis County land map explorer, which the county will be correcting as a result of the research conducted for this project.
 - Ranch Hangar Construction Update: Ranch hangar construction has been delayed to complete independent fee evaluations which was required as a result of the Federal Funding. The bids came in above what was expected. DAA staff is analyzing options to ensure they are making the right decisions.
- **Financial Update:** Ms. Bodin provided an update on the following topics:
 - Ms. Bodin provided an update on the 2022 Financial Audit. Audit entrance meeting was last week. Dir. O'Brien was in attendance for a portion of the meeting and minutes will be sent to all directors. Auditors will conduct the majority of the audit remotely and will be in person for about two days. Audit is expected to be completed by the end of April with a report in May.
 - Ms. Bodin informed the board of two open positions within the DAA. The Executive Assistant role and a full-time finance position will be posted within the next week.
- **Marketing/Communications:** Ms. Baker provided an update on the following topics:
 - Marketing RFQ and Timeline: Ms. Baker shared the RFQ timeline. The timeline was schedule so there could be a overlap in marketing services.
 - Amsoil Sponsorship Contract: Amsoil is looking to renew their contract, we are working through some updates to their sponsorship agreement.
 - Dir. Maki asked if a board member will be included as a part of the marketing RFQ evaluation. Mr. Werner stated that a board member is always requested to be included for these evaluations. Dir. Anderson volunteered to be on the team.



- **Legislative:** Mr. Werner provided an update on the following topics:
 - City Code Chapter 4 Review and Update: Dir. Maki, Mr. Hanke and Mr. Werner met on the code updates for the City of Duluth code updates. Mr. Werner informed of some of the regulations and items that were evaluated as a part of this update. So far the updates have been received favorably.
 - Air Traffic Control Tower Legislative Funding Request: This went very well with no one opposing the project. There is strong support for this project. Dir. Anderson continues to work hard to get on the capital investment committee hearing docket to have the bill heard. We are expecting a second bill to be included in with our \$14 million request. If this funding is received, the DAA is positioned very well to receive the federal funding for the tower.
 - State Bill Banning PFAS in Class B Firefighting Foam: There are a couple of bills out there trying to limit use of firefighting foam. There have been some successes that a compliant firefighting foam needs to be readily available before this can be enacted.
 - Mr. Werner is working with Steve Hanke on the duty to defend indemnity bill which is in an effort to address a bill which would shift liability from the contractor to the political subdivision.
 - Mr. Werner is currently at the AAAE Legislative Conference working to align priorities as airports to get ready for FAA reauthorization. Mr. Werner continues to work with Congressman Stauber and two senators on these priorities.
- **Presentations/Tours/Travel Recap:** Mr. Werner Provided an update on the following topic:
 - UWS Transportation Management Class: Mr. Werner briefed the UWS transportation management class.
 - Township Association: Mr. Werner was able to share about the airport's vision for the future.
 - Mr. Werner briefed that the DAA will be awarded the 2022 Outstanding Leadership and Airport Planning Environment and Strategic Initiative award for the Vision 2040 Master Plan project and the Part 150 Noise Study and Master Plan. Mr. Werner thanked SEH and Landrum & Brown on their work on these planning projects.
 - Mr. Werner commented that all of the projects discussed during the briefs today are in effort to continue to support the master plan and strategic plans of the organization in an effort to strengthen revenue streams.
- Ms. Kayser added that interviews have been conducted for this summer's intern and the selected individual will be notified shortly. This intern will be introduced at the April Board Meeting.
- Dir. Maki Congratulated the DAA on the MCOA awards and thanked the project team and staff for their work on these projects.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY

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- Dir. Maki thanked everyone for their reviews moved to item II of the agenda.
 - Motion: Dir. Henderson
 - Second: Dir. O'Brien
 - Abstain: None
 - Result: Votes were taken by roll call. This resolution was adopted unanimously.

III. *DAA CASH DISBURSEMENTS

IV. *CORRESPONDENCE

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- None



VI. OLD BUSINESS

- None

VII. NEW BUSINESS

- A. Resolution to Approve Master Service Agreement between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for Planning, Engineering, Environmental, and Design Services
- Mr. Papko shared that this resolution would have been on the previous agenda, but additional legal review was conducted. The cover sheet addresses the process and steps taken. The DAA is happy to be working with SEH the next 5 years.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: Dir. Anderson
 - Result: Votes were taken by roll call. All voting members said aye, Dir. Anderson abstained. This resolution was adopted.
- B. Resolution to Approve Work Order 2023 – 3 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the design of the new General Aviation Terminal at Sky Harbor Airport (DYT)
- Mr. Papko shared the rendering of the DYT Terminal and project description. Milestones are continuing to be developed to allow the board to provide input in the project. Staff is continuing to work on providing opportunities for tenants to provide input as well. Mr. Papko shared that the funding received for this project is beneficial to the DAA as there would have been no other source for funding.
 - Dir. O'Brien asked about the square footage footprint that the team is trying to stay within
 - Mr. Papko stated that the current plan is to stay closely within the current footprint to avoid environmental impacts.
 - Ms. Nowicki added that the new buildings is expected to be one-story and considers an outdoor patio to provide space for customers to enjoy future vending opportunities.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Henderson
 - Abstain: Dir. Anderson
 - Result: Votes were taken by roll call. All voting members said aye, Dir. Anderson abstained. This resolution was adopted.
- C. Resolution to Approve Reimbursable Agreement between the Duluth Airport Authority and the Federal Aviation Administration for the Preliminary Design support of the Air Traffic Control Tower Replacement Project
- Mr. Papko shared this reimbursable agreement with the FAA to get through the initial stages of the air traffic control tower project. Another one will also come through for final design and construction of the tower. This is a bridge reimbursable agreement until we can get to the final so as not to slow down the project.
 - Dir. Maki entertained questions or a motion.
 - Motion: O'Brien
 - Second: Anderson
 - Abstain: None
 - Result: Votes were taken by roll call. This resolution was adopted unanimously.
- D. Resolution to approve Addendum to Airport Ground Lease and Agreement by and between the Duluth Airport Authority and the City of Duluth
- Ms. Kayser shared documents to make the official recording with the county.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. O'Brien



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- Abstain: None
 - Result: Votes were taken by roll call. This resolution was adopted unanimously.
- E. Resolution to Approve Sponsorship Agreement Between the Duluth Airport Authority and St. Luke's Hospital of Duluth
- Ms. Baker shared that St. Luke's has been the Club DLH sponsor for the last two years and explained payment terms per the contract.
 - Dir. O'Brien asked for clarification on the payment term adjustments per passenger counts which Ms. Baker provided.
 - Dir. Maki asked if the business club is still being used and Ms. Baker provided that the users are still growing.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: Votes were taken by roll call. This resolution was adopted unanimously.

VIII. DIRECTOR'S REPORTS

- Dir. Anderson reported that the Executive Compensation Committee has met to review and discuss executive director compensation. The committee is ready to provide a recommendation at the next board meeting and will work out the details on how that recommendation should be made.

ADJOURN: Dir. Maki entertained a motion to adjourn.

- Motion: Dir. Henderson
- Second: Dir. Crawford
- Abstain: None
- Result: Votes were taken by roll call. This resolution was adopted unanimously.
- Meeting was adjourned at 8:58 a.m.

Respectfully submitted,

Joelle Bodin
Director of Finance & Administration

APPROVED: _____ DATE: _____