



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING MINUTES JULY 18, 2023

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

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

DIRECTORS ABSENT: None

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Marketing and Communications
Tristan Durfee, DAA Sky Harbor Manager
Cole Martin, DAA Finance Technician
Mike Magni, Monaco Air Duluth
Steve Hanke, Duluth City Attorney
Kaci Nowicki, SEH
Shawn McMahon, SEH
Lisa Bodine, Giant Voices
Heather Wink, Giant Voices

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Matthew Stewart, SEH
Don Monaco, Monaco Air Duluth
Heather Fisher, Cirrus
Mark Schramek, Cirrus
Paul Huston, XXX
Samantha Hanson, Giant Voices
Allison Andrashko, SEH

CALL TO ORDER: Dir. Maki called the DAA board meeting to order at 8:00 a.m.

Dir. Maki invited Mr. Tom Werner to provide the Executive Director's Review:

I. EXECUTIVE DIRECTORS REVIEW

- **Air Service:** Mr. Werner provided an update on current air service with an air service presentation.
 - Dir. O'Brien asked questions regarding the Great Lakes Cruising operations to better understand their operations. DAA staff is working with the airlines to up gauge aircraft in response to the increased number of passengers.
 - Dir. O'Brien asked what went wrong with the Sun Country service to Phoenix. Mr. Werner provided background regarding the tag flight with Madison or Rochester and how that added confusion. Mr.



Werner states that “we” did not do anything wrong as the service was marketed, the demand just needs to be there to support the service and make it profitable.

- **Operations/Construction/Planning:** Mr. Papko provided the following updates:
 - New Air Traffic Control Tower (ATCT) Update: The DAA received a draft siting report which confirms site 6 selection and is awaiting final signature. The (RDWB) requirements workbook needs to be received prior to working through pre-design. This is expected to be received in September. DAA staff will be touring a tower in Chicago which may have a very similar design to what will be built in Duluth. Mr. Werner added some background on timelines and the constricted nature of this project.
 - Airshow 2023 Recap: As of yesterday, all of the aircraft are gone. The estimated number of attendees was about 50,000 for the weekend with more on Saturday. One incident for the weekend of a Navy Leapfrog was tangled and unable to release and land safely. Reports state that the individual is in good spirits and working on recovery. Mr. Werner thanks Mr. Papko and his team for their hard work surrounding the airshow.
 - Phase 4 (SRE Ramp) and Midfield Ramp Project Update: The initial plan for the Blue Angels was to park elsewhere, but they requested to be moved to the new pavement. The project went well with no issues as the dry Spring provided great opportunity for this project. Construction is gearing up for Taxiway A Phase 2 today.
 - New Snow Removal Equipment Building Update: Mr. Papko shared slides with a rendering, project description, funding breakdown.
 - New Sky Harbor Airport Terminal Update: Mr. Papko shared slides with the Sky Harbor Terminal Building project description, rendering, summary of bids, and overall project costs.

- **Business/Property Development:** Ms. Kayser provided an update on the following:
 - FAA Funding Eligibility: Staff are still waiting for a determination of FAA eligibility for hangar bay 104 rehab, hangar 105 Cirrus calibration and the Life Link hangar.
 - New Airline Agreement Kick-Off Meeting Update: A meeting was held on June 22nd with Decomm Aviation. The largest component of this agreement update will include how to handle Landline Secure to Secure operations.
 - Ranch Hangar Construction Update: Construction kicks off this week and is the first general aviation construction in over 20 years.
 - 2024 Car Rental Agreement: The current agreement expires at the end of December 2023. A term sheet was provided, staff have received comments and DAA staff is prepared to continue with the negotiations.

- **Financial Update:** Ms. Bodin provided an update on the following topics:
 - 2022 Financial Audit: The final audit report has been issued and all board members should have received a copy. Board members can contact Ms. Bodin with any questions.
 - FAA CATS Report Submission: Following completion of the audit, the audited financials are used to complete mandatory reports for the FAA. Forms 126 and 127 have been completed for the DAA.
 - Administrative Coordinator Position Update: Jenny Delnay will fill the position of the Administrative Coordinator as of August 7th.

- **Marketing/Communications:** Ms. Baker provided an update on the following topics:
 - Commemorative Statue: Staff received notice of a group wanting to design and install a monument honoring the history of the 148th's presence in the community.
 - Marketing and Advertising RFQ Update: The written review was completed, interviews were conducted, and final scoring selected Giant Voices. Lisa Bodine introduced herself and thanked the DAA board. She provided a background on Giant Voices and the services they provide.
 - New Hangar Construction Groundbreaking: Will be hosted on August 2nd for the new general aviation ranch hangars.



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- Sky Harbor Terminal and SRE Groundbreaking: The groundbreaking for Sky Harbor projects will be planned for August 21st.
 - **Legislative:** Mr. Werner provided an update on the following topics:
 - Air Traffic Control Tower Legislative Funding Request: Yesterday Ms. Baker and Mr. Werner attended a round table that featured transportation chairs in the Minnesota House and Senate which was a great opportunity to keep the air traffic control tower project in the front of mind. A facilities tour with Minnesota Senator Jen McEwen, Representative Liz Olson, and Senator Grant Hauschild is scheduled in early August. The MMB request has been completed and submitted. Staff has requested to be included in the bond tour this fall. Next week Mr. Werner and several community members will be going to DC to advocate for the federal funding for this project. Project handout was provided to board members and included with the public packet.
 - LASAC meeting made up of all nine commercial service airports was at the airport yesterday where many topics were discussed. A state transition team will be established with partners from MnDOT, MPCA and State Fire Marshall and commercial service airports to work out policy and technical transition plans for compliance with PFAS requirements. Mr. Werner is working with other airports to provide an amendment to the law that was just passed to amend the timeline on PFAS for airports.
 - Dir. Markham asked whether it is expected that there are any outside the normal political processes that would slow down the request for the ATCT. Mr. Werner provided that the timeline for the approval of the requirements workbook as well as the tight timeframe for the design of the building are both factors. The other factor is the competitive nature of the funding as there have been substantially more requests for funding that funds available with the first two tranches of funding for the project.
 - **Presentations/Tours/Travel Recap:** Mr. Werner Provided an update on the following topics:
 - Brief and Tour for Senator Smith's Regional Director: Mr. Werner was able to have a great discussion with him and to show him what is happening at the airport.
 - Hosted LASAC Quarterly Meeting: This was hosted yesterday as previously mentioned.
 - **Operations Department Staffing Brief:**
 - This process has been underway. ADK is reaching out to external stakeholders to get their sense of how the operations department is pacing with the tempo. The staff are waiting for a report from the consultant which is expected within the next 60 days.
- II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *.**
- A. Approval of June 20, 2023, Meeting Minutes.
- Dir. Maki thanked everyone for their reviews moved to item II of the agenda.
 - Motion: Dir. Markham
 - Second: Dir. O'Brien
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- III. *DAA CASH DISBURSEMENTS**
- A. Operating Check Register Sheets #16 - #18 of 2023; Operating ACH Payment Registers #15 - #18 of 2023; Construction ACH Register #4 - #5 of 2023; Construction ACH Pay.gov Register #2 of 2023.
- IV. *CORRESPONDENCE**
- A. Link for Metropolitan Airports Commission (MAC) Minutes -- <https://metroairports.org/archived-commission-meetings>
- B. E-Mail from Monaco Air Foundation with Summary of June 2023 Activities; July 1, 2023.



- C. DLH Construction Newsletter:
 - a. Dated June 16th, 2023.
 - b. Dated June 23rd, 2023.
 - c. Dated June 30th, 2023.
 - d. Dated July 7th, 2023.
- D. GLC Minnesota State Update Dated May 23, 2023
- E. AirTAP Article Published June 26, 2023: Congratulations to the 2022 aviation award Recipients!
- F. Duluth Monitor Article Published July 3, 2023: Sky Harbor Airport Changes Planned
- G. AW Weekly Article Published June 14, 2023: SkyWest in Fight With Labor Unions Over Future of Air Service to Small Cities
- H. Simple Flying Article Published July 12, 2023: Some American Airlines Bus services Now Remain Security Screened Between Airports: <https://simpleflying.com/american-airlines-buses-remain-secure-between-airports/>

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- None

VI. OLD BUSINESS

- None

VII. NEW BUSINESS

- A. to Approve Professional Services Agreement between Giant Voices and the Duluth Airport Authority
 - Ms. Baker shared that the contract is coming forward for approval following the length process explained earlier.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Hansen
 - Dir. Anderson mentioned that he participated in the selection process and thanked Natalie for executing this and doing such a great job.
 - Dir. Maki mentioned that the terms didn't appear to be attached, an updated version of the board packet was made available immediately which included the agreement.
 - Ms. Baker explained the salient points of the agreement.
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- B. Resolution to Approve Advertising Agreement between the Duluth Airport Authority and the University of Minnesota Duluth
 - Ms. Baker shared that this agreement was updated to a two-year agreement with an increased cost.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Anderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- C. Resolution to Approve Advertising Partnership Between the University of Minnesota Duluth Athletics and the Duluth Airport Authority
 - Ms. Baker shared that this agreement includes a partnership for agreement with UMD which includes the dasher boards at the Amsoil Arena and some other advertising.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Hansen
 - Abstain: None
 - Result: This resolution was adopted unanimously.



- D. Resolution to Award and Approve the Sky Harbor (DYT) General Aviation Terminal Building Construction Contract Between the Duluth Airport Authority and Gardner Builders in the Amount of \$2,066,412
- Mr. Papko shared that the preamble has already been briefed. A final timeline from Gardner will come after there is a signed agreement. Demolition of the current terminal is expected by the end of August. Mr. Papko extended a thanks to SEH for their work on expediting the design for this project to get this across the finish line.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Anderson
 - Dir. Markham asked for clarification on the price of the project. Mr. Papko explained that bids came in higher than expected and the total price includes alternates. Ms. Nowicki from SEH explained that they heard the increased cost was workforce driven.
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- E. Resolution to Approve Work Order 2023 – 10 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of the new General Aviation Terminal Building at Sky Harbor Airport (DYT)
- Mr. Papko shared that this is for SEH to perform construction administration and oversight of all funding grant paperwork, and closeout administration throughout the duration of the project. He explained the salient points of the project.
 - Dir. Maki asked for clarification on the independent fee evaluation, which is done for any project of over \$100 thousand, which is a federal funding requirement. Dir. O'Brien stated that this is like an appraisal.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Markham
 - Abstain: Dir. Anderson
 - Result: All voting members said aye. This resolution was adopted.
- F. Resolution to Award and Approve the Sky Harbor (DYT) Snow Removal Equipment Building Construction Contract Between the Duluth Airport Authority and Gardner Builders in the amount of \$1,095,679
- Mr. Papko shared that the construction of this building will take place in the springtime. Once this contract is signed staff will receive an updated timeline for this project. The bids on this project came in over what was expected.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Hansen
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- G. Resolution to Approve Work Order 2023 – 09 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of the new Snow Removal Equipment Building at Sky Harbor Airport (DYT)
- Mr. Papko shared this project is again for the construction administration of the SRE at Sky Harbor. This project includes a lot of work with tribal monitoring, coordination, environmental litigation, and public outreach due to its unique location.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Hansen
 - Abstain: Dir. Anderson
 - Result: All voting members said aye. This resolution was adopted.



- H. Resolution to Award and Approve the Duluth International Airport (DLH) Taxiway A – Phase 3 Construction Contract Between the Duluth Airport Authority and KGM Contractors Inc. in the amount of \$11,197,150
- Mr. Papko shared that this project will be slated for construction next year. This project was originally supposed to be less, but some coordination was involved to include some alternates with additional area if bids were competitive. Both alternates were able to be approved to include \$3 million in additional construction.
 - Dir. Markham asked whether there is any concern with KGM's bid including the full scope, considering there was a very tight cluster of bids between numbers 2-5. Mr. Papko mentioned he had similar concerns, but the scope is the scope and KGM was the sub on a previous project and the companies all seem to bid with and against each other.
 - Dir. O'Brien asked questions regarding funding from the guard and what would happen if the funding were not made available for their anticipated share.
 - Mr. Werner provided context and the importance of asking questions regarding the funding of these projects, but explained the risk is very low. DAA staff works closely to plan the projects and get buy off and support of these projects.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Markham
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- I. Resolution to Approve Work Order 2023 – 11 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Taxiway A - Phase 3 and Taxiway C South
- Mr. Papko shared that this is the construction administration and oversight contract for Taxiway A – Phase 2 and Taxiway C South.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Hansen
 - Second: Dir. O'Brien
 - Abstain: Dir. Anderson
 - Result: All voting members said aye. This resolution was adopted.
- J. Resolution to Approve Work Order 2023 – 12 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Design of Taxiway A Reconstruction - Phase 5
- Mr. Papko shared that the FAA has been a great funding partner to additionally support funding design in advance to allow for better planning and potential of favorable construction bids.
 - Dir. Maki asked that phase 5 will be built in 2024. Mr. Papko confirmed that is the plan.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Markham
 - Abstain: Dir. Anderson
 - Result: All voting members said aye. This resolution was adopted.
- K. Resolution to Approve and Adopt Revised Operating Policy #8: Lease, Agreement and Contract Policy and Remove Previously Adopted Operating Policies #6, #10, #16, and #25
- Ms. Bodin shared that this policy update takes four operating policies and one section of the previous purchasing policy and includes them as one to provide better guidance to staff.
 - Dir. Maki asked whether the authorization for length of contracts has increased. Ms. Bodin explained that the authorization increased from 90 days to 12 months. Ms. Kayser shared background on general aviation hangars and the number of short-term agreements.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Anderson
 - Second: Dir. O'Brien



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- Dir. Maki stated that this is a good change for the organization which will help the board to focus on the big things and prevent some long agendas. Mr. Werner provided that agreement templates were approved years ago, and the rates will continue to be approved by the board so that they are still overseeing the agreements.
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- L. Resolution to Include the Previously Approved Public Art Policy in the Operating Policy Manual as Operating Policy #29 and Approve the Updated Appendix A
 - Ms. Baker shared that the only update to the art policy is Appendix A which now accurately shows the locations of art at the airport.
 - Ms. Bodin shared that this policy was approved years ago by the board as a stand-alone policy and is now being incorporated in the operating policy manual to provide clearer guidance to staff and the board.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Hansen
 - Dir. O'Brien asked how many spaces are currently occupied by art. Ms. Baker shared that all but one is full.
 - Dir. Maki asked whether details can be shared the entity interested in putting up a statue. Ms. Baker stated that it is still in the infancy, but it is known that it is to honor the 148th's presence in the community and the art will not be owned by the DAA. Mr. Werner shared that the pad out front would be the location for this future piece of art.
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- M. Resolution to Include the Previously Approved Community Air Service Development Incentive Policy in the Operating Policy Manual as Operating Policy #30
 - Ms. Bodin shared that this policy was also approved years ago and is now being incorporated into the manual to provide clearer guidance to staff.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- N. Resolution to Approve the Sky Harbor Hangar #1 Lease Agreement Between the Duluth Airport Authority and Tom Sullivan
 - Ms. Kayser shared that this a short-term agreement for June through October, which will with the approval updated operating policies would be able to be approved by the Executive Director going forward.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Hansen
 - Second: Dir. Markham
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- O. Resolution to Approve the Sky Harbor Float Storage Land Lease Agreement Between the Duluth Airport Authority and Jonathon Aero
 - Ms. Kayser shared that this a one-year extension for float storage at Sky Harbor. This is to store floats for customers and renews by CPI every year.
 - Dir. O'Brien asked whether this area is out in the open and whether the tenant keeps it order. Ms. Kayser shared that it is neat and only includes floats. This is an area where there isn't an ability to earn any sort of money otherwise.



- Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.

P. *May 2023 Financial Reports

Q. *July 2023 Accounts Receivable

R. *June 2023 Airline Statistics, Landline Statistics

VIII. DIRECTOR'S REPORTS

- Dir. Anderson mentioned that Congress will be discussing essential air service funding and he was wondering how this would impact the DAA. Mr. Werner stated that other regional essential air service airports are positioning themselves to keep air service. Mr. Werner mentioned that the DAA would be impacted by an influx of passengers if essential air service airports lose air service. As the chair of the air service committee Mr. Werner has been in a much more neutral position of trying to preserve air service throughout the state.
- Dir. Maki thanked SEH and stated throughout her tenure she has been impressed with the work completed, attention to detail, and strategic planning process with the projects completed.

ADJOURN: The meeting was adjourned at 9:39 a.m.

Respectfully submitted,

Joelle Bodin
Director of Finance & Administration

APPROVED: _____ DATE: _____