



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING MINUTES AUGUST 15, 2023

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

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

DIRECTORS ABSENT: Elissa Hansen

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
Jenny Delnay, DAA Administrative Coordinator
Kathy Leon, DAA Confidential Bookkeeper
Steve Hanke, Duluth City Attorney
Mike Magni, Monaco Air Duluth
Kaci Nowicki, SEH
Shawn McMahon, SEH
Adinda Van Espen, SEH
Scott Sandin, SEH
Eric Monson, Lake Superior Helicopters

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Matthew Stewart, SEH
Don Monaco, Monaco Air Duluth
Jefrey Jakalski, EXP
Horeya Czaplewski, EXP
Heather Wink, Giant Voices

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

- Mr. Werner shared that former Dir. Ken Butler recently passed away.
 - Dir. Maki reflected that he will be missed by the airport and legal communities.
- **Air Service:** Mr. Werner provided an update on current air service with an air service presentation.
 - Dir. Markham asked questions regarding how many new pilots are being attracted into the industry.
 - Mr. Werner will provide a more detailed update on those numbers at the Board retreat.



- **Operations/Construction/Planning:** Mr. Papko provided the following updates:
 - Mr. Papko stated that the new Air Traffic Control Tower (ATCT) will be based on the design of the South Chicago ATCT. Mr. Werner and Mr. Papko visited that tower before finalizing that decision.
 - Mr. Papko stated that he is still waiting on the FAA for the Requirements Workbook. He has received the final signatures for the Citing Study to select a final location. Staff are balancing between being prepared for funding with tight timelines versus the risk of having to change existing items in case of required changes listed in the Workbook.
 - Mr. Werner stated that he has been working with EXP to reduce this risk and engaged the Congressional Delegation to help expedite the Requirements Workbook process.
 - Mr. Papko introduced Mr. Jeffrey Jakalski and Ms. Horeya Czaplewski from EXP to discuss the new ATCT design process.
 - Mr. Jakalski shared some of the key components of the South ATCT Chicago that will be key in designing our new tower.
 - Ms. Czaplewski shared the process phases, including predesign, concept design, construction documents, bidding, construction, commissioning, and ribbon cutting.
 - Dir. Maki asked how EXP's timeline will work with the potential funding deadlines.
 - Mr. Jakalski stated they will come up with usable units of work to allow for pieces of the project to be completed by the shortened timelines.
 - Mr. Werner and Mr. Papko shared that it depends on amounts and types of funding received and is why staff is doing as much as possible now.
 - Dir. Markham asked about the level of risk of continuing without having the Requirement Workbook.
 - Mr. Jakalski stated that there is a level of risk without having the Workbook, however there are portions of the project that are minimal risk so they will be focusing on those first. They have had informal conversations with the FAA to help inform some of these decisions.
 - Mr. Werner asked how the Grand Forks tower may help with the FAA proposal.
 - Mr. Jakalski agreed that GFK tower will help with our review, since many of the aspects of the towers will be similar.
 - Mr. Papko stated that MnDOT has given funding for the midfield ramp to be started next year.
 - Mr. Papko invited Ms. Adinda Van Espen to provide an update on Taxiway A Phase 2+4.
 - Ms. Van Espen shared what work has been completed and the challenges encountered. She stated there would be an additional 30-45 days and 10-night closures based on relocating the unforeseen duct bank, but expects the additional funding needed will be covered by FAA and MnDOT.
 - Mr. Werner stated the FAA is expected to fund the change order due to the unforeseen circumstances surrounding the FAA-owned duct bank. The new night closures will have an impact and carry risks.
 - Dir. Maki asked if the additional 45 days will put us into November completion date.
 - Ms. Van Espen confirmed it will take us into early November.
 - Mr. Papko shared that the new Sky Harbor Airport Terminal projects have started and will be having a kickoff for the building projects at the end of the month.
 - Dir. Henderson asked if EXP would absorb any of the risk for the worst-case scenarios of not getting funding or having to return funding due to not meeting timelines.
 - Mr. Werner stated that there have not been conversations about EXP absorbing the risks.
 - **Business/Property Development:** Ms. Kayser provided an update on the following:
 - Project Updates:
 - Herman Hydraulics has been provided with timeframes for tower construction updates.
 - There is a cruise turnaround this Friday, but Ms. Kayser doesn't anticipate any issues.



- Ms. Kayser shared her recent visit with MN EDA Darren Fleeter, regarding the grant for MN Power at Stebner Rd. She noted that the City of Rice Lake would be the applicant, not DAA, since they would own the utilities to this area.
- Ms. Kayser shared that the FAA section 163 for non-aeronautical uses has been submitted and she is currently investigating what fair market lease rate would be per their regulations.
- Mr. Werner invited Mr. Erik Monson to share an update on Lake Superior Helicopters
 - Mr. Monson shared background on Lake Superior Helicopters' business. He shared that they have numerous small spaces all around DLH.
 - Dir. Maki asked about the process to be a professional pilot and the number of graduates.
 - Mr. Monson stated they intentionally limited enrollments to 10 students last year to "work out the kinks" on the airplane side but anticipating 25-30 students this fall. It takes 20 months to get through their program, compared to 4 years at the University of North Dakota. Their Helicopter program has been going on longer but has the same program length.
 - Ms. Kayser asked in an ideal world how much space they would need at DLH.
 - Mr. Monson stated they would ideally need 20,000 square feet of finished space, plus the same amount of hanger space.
 - Dir. Markham asked Mr. Monson to elaborate on their connection to Lake Superior College.
 - Mr. Monson shared that they were brought on board for experience in aviation. They do everything on the flight side and help get qualified instructors.
 - Dir. Henderson thanked Mr. Monson for the presentation and asked about the cost of the program.
 - Mr. Monson stated that the cost of operations has gone up 17-20% in the last 24 months but is around \$200,000 for helicopter program and \$140,000 for airplane to complete the degree and get into the job.
 - Ms. Kayser clarified that DAA does not get any commission on students.
 - Mr. Werner asked what Mr. Monson's biggest concern about the future is.
 - Mr. Monson stated that they need space in a central location and not scattered across the airport. He stated they have hired people in New Orleans that they would rather have in Duluth due to space constraints.
- **Financial Update:** Ms. Bodin provided an update on the following topics:
 - Concessionaire Audits: Cole is the new Finance Technician and together they will audit the revenue producing agreements.
 - Budget Prep: Ms. Bodin stated she is in the process of reviewing budgets and a full draft will come out in October to present to the city council in December.
- **Marketing/Communications:** Ms. Baker provided an update on the following topics:
 - Ranch Hangar Groundbreaking went very well. Ms. Baker thanked those who attended and stated there was good media coverage of the event.
 - Ms. Baker shares that the Sky Harbor Groundbreaking is scheduled for next Monday at 2pm.
 - Ms. Baker had hoped to have an update regarding renewing Allele's sponsorship, however their meeting was rescheduled, so she will have more details soon.
 - Ms. Baker reviewed the FY24 Marketing Plan, but stated the plan is subject to change based on our needs and goals throughout the year. She mentioned this is tied to Resolution C, since they are planning for Giant Voice to place the media on behalf of DAA.
 - Mr. Werner and Dir. Anderson asked questions about the goals and objectives for this campaign season and how they compared to previous years.
 - Ms. Baker shared the biggest difference is getting the right media to the correct audience. They are also reducing streaming radio in preference for traditional radio and are aware of seasonal changes throughout the year. Ms. Baker also shared



that they will be placing more digital ads, and less billboard or out of home ads this year.

- Dir. O'Brien noticed the plan to spend more on WDIO and asked if there were more of our audience there.
 - Ms. Baker stated it is a package which includes spots during the lift and news rotator.
- **Legislative:** Mr. Werner provided an update on the following topics:
 - Mr. Werner and Dir. Anderson recently took an advocacy trip to Washington D.C. and received support from our delegation, both for funding and to help reduce obstacles from other federal agencies.
 - Dir. Anderson added that it was a successful trip and stressed the importance of making these sorts of requests in person.
 - Mr. Werner stated that the DAA has support on the state level as evident from the recent and upcoming tours of our facility.
- **Other:**
 - Mr. Werner provided an update on the New DEED Commissioner.
 - Mr. Werner provided a brief Board retreat preview for September.

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

- A. Approval of July 18, 2023, Meeting Minutes.
 - Dir. Maki thanked everyone for their reviews moved to item II of the agenda.
 - Motion: Dir. Markham
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #19 - 21 of 2023; Operating ACH Payment Registers #19 - #21 of 2023; Construction ACH Register #6 of 2023; Construction ACH Pay.gov Register #3 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 July 2023 Activities; August 1, 2023.
- C. DLH Construction Newsletter:
 - i. Dated July 14, 2023.
 - ii. Dated July 21, 2023.
 - iii. Dated July 28, 2023.
 - iv. Dated August 4, 2023.
- D. WDIO Article Published, July 13, 2023: Sky Harbor Airport to get new terminal, maintenance building
- E. Fox 21 Article Published July 18, 2023: New Terminal to Be Built at Duluth Sky Harbor Airport
- F. RAA Article Published July 20, 2023: RAA Statement on Passage of H.R.3935
- G. DNT Article Published July 21, 2023: Local View: Pilot shortage a problem with solutions
- H. Northern News Now Article Published August 2, 2023: Duluth International Airport breaks ground on new aviation ranch hangars
- I. WDIO Article Published August 2, 2023: Duluth Airport breaks ground on hangar complex

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- None



VI. OLD BUSINESS

- None

VII. NEW BUSINESS

- A. Resolution to Approve Work Order 2023-1 between the Duluth Airport Authority and EXP for the Pre-design of the New Air Traffic Control Tower at Duluth International Airport (DLH)
 - Mr. Papko stated this predesign work order lets us have a fully educated designed work order later.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Anderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- B. Resolution to Approve Sponsorship Agreement between the Duluth Airport Authority and the Minnesota Lottery
 - Ms. Baker stated the agreement is for two years for them to continue advertising on the 2nd floor.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Markham
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- C. Resolution to Approve FY24 Marketing Plan and to authorize Giant Voices to Place Media on Behalf of the DAA
 - Ms. Baker shared that this contract will be from September through June. Some placements will be over the \$25000 threshold, and they will be able to sign contracts and placements on our behalf.
 - Dir. O'Brien asked if Ms. Baker will be the one to oversee the placements on a day-to-day basis.
 - Ms. Baker confirmed that she is.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Anderson
 - Dir. Maki stated appreciated the transparency of the conversation today to understand where media will be placed.
 - Abstain: None
 - Result: This resolution was adopted unanimously.

- D. *June 2023 Financial Reports
- E. *August 2023 Accounts Receivable
- F. *July 2023 Airline Statistics,

VIII. DIRECTOR'S REPORTS

- Dir. Maki mentioned that she and Dir. O'Brien attended the groundbreaking, and it was a great event. She encouraged everyone to attend the groundbreaking at Sky Harbor, if possible.

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

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

APPROVED: _____

DATE: _____