



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority Meeting Minutes January 16, 2024

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kim Maki
Kevin O'Brien
Elissa Hansen
Dan Markham
Jason Crawford

DIRECTORS ABSENT: Jeff Anderson
Michael Henderson

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
Shawn McMahon, SEH
Mike Magni, Monaco Air Duluth

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Kathy Leon, DAA Confidential Bookkeeper
Robb Enslin, Duluth City Attorney
Dante Tomassoni, Cirrus
James Gibson, Cirrus
Horeya Czaplewski, EXP
Paul Huston, HNTB
Don Monaco, Monaco Air Duluth
Matthew Stewart, SEH
Scott Sannes, SEH

CALL TO ORDER: Dir. Maki called the DAA board meeting to order at 8:00 a.m. Dir. Maki noted that Dirs. Maki, O'Brien, Markham and Crawford are in attendance which meets a quorum.

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

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Mr. Werner presented the year-end numbers. 2023 finished slightly stronger than 2022 as predicted. Delta is still dominating the market, but there is growth expected from United moving forward.



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- Mr. Werner noted that, post-pandemic, there has been a shift to longer trips that are a mix of business and leisure, especially with remote work. European destinations are popular. He noted that DAA advertising focuses on a mix of business and leisure.
- Dir. Maki asked for an update on Sun Country bookings.
 - Ms. Baker shared that the beginning of February is still a little light, but bookings are up towards the end of the month, which is a similar trend to last year.
 - Mr. Werner noted that this route will need to out-perform last year to return. He has asked Ms. Baker and Giant Voices to increase our messaging to hopefully increase bookings.
- Dir. Hansen arrived at 8:03 a.m.

B. **Operations/Construction/Planning:** Mr. Papko provided the following updates:

- **New Air Traffic Control Tower (ATCT) Update:** Mr. Papko stated that design is well underway and moving at a good pace. A public bid for the RFP for a Construction Manager at Risk (CMAR) was issued in early January. The Pre-Bid meeting is scheduled for tomorrow. There have been good responses, with about 10 firms interested in the pre-bid meeting.
 - The pre-bid meeting will have a presentation about DAA (what we're doing, constraints around the project), a technical presentation from EXP/SEH, site/room layout plans and possibly a tour of the site.
 - RFP closes in early February. Interviews will be conducted with the top three bids before selecting a CMAR. This may be presented to the Board at the February meeting or may need to have a special meeting between the February and March meetings to help with the pace of construction.
 - Mr. Papko shared the current designs that will also be presented at the CMAR pre-bid meeting tomorrow.
- **Sky Harbor:** The terminal has walls, a roof and windows in. Concrete has not yet been poured, since the construction manager wanted to wait until the building was roughed in and heated for a better outcome. Still on track for late April or early May completion. Furniture is being ordered now based on lead times.
 - **Snow Removal Equipment Building:** This project is still on hold over the winter. Construction is expected to pick up in March or April based on the weather.

C. **Business/Property Development:** Ms. Kayser provided an update on the following:

- The Ranch Hangar project continues well. Ms. Kayser shared photos of the construction site. They are now estimating a January 29th completion date, which is earlier than the end of February initially estimated. Ms. Kayser is still advertising the March 1st move in date, although there is a possibility it would be sooner.
 - Ms. Kayser noted that there was much more interest from current tenants than expected in these new hangars. There are 4 tenants who are interested in moving. There are currently about 40 people on the waiting list for hangar space, 15 of which are only interested in a ranch hangar. There is one GA tenant who is not renewing their lease for 2024.
- The Minnesota Power project continues with working on cultural/historical research.

D. **Financial Update:** Ms. Bodin provided an update on the following:

- **Earned Sick and Safe Time (ESST) Update:** This needed to be implemented by January 1, 2024, and the final details were worked out in the last weeks of December. This is



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being implemented as it is written in the new statutes. There was some initial concern from AFSCME, however with additional communication it was worked out.

- Dir. O'Brien asked if this was in addition to or a replacement of current sick time offered.
 - Ms. Bodin clarified that it is in addition. There are more limitations on the existing sick time than the ESST, plus there are some long-standing employees with large sick banks, which would have been complicated to combine. The reporting requirements are also different from our current sick time and the ESST. If it were combined, there would have been more potential conflict with the union.

E. **Marketing/Communications:** Ms. Baker provided an update on the following:

- Duluth and St. Louis County Days: The DAA will be present at Capital for this event, including participating in the lobbying event during the day and a booth at the reception. Ms. Baker shared that planning for the booth is nearly complete.
- Sun Country Launch Event: Ms. Baker is also working on a promotion of fly local to ensure this route comes back next year.

F. **Legislative Update:** Mr. Werner provided an update on the following:

- Mr. Werner stated that he is preparing for a big push at the state legislature for the \$14 million bond ask, but there is nothing new to report currently.

G. **Presentations/Tours/Travel Recap:**

- NSR

H. **Other:** Mr. Werner provided an update on the following:

- City of Duluth Approval of Property and Sponsorship Transfer Update: Mr. Werner shared that with the change of leadership at the City, there was no update. He is giving the new City Administration a few weeks before pursuing this again.
- Special Meetings: Mr. Werner noted that since the building of the terminal there has not been a need for frequent special meetings. However, with the construction timeline of the ATCT, there may not be time to wait for normal monthly meetings. There is a chance that there will be more special meeting requests as this project continues, as noted with the CMAR process earlier.
 - Dir. O'Brien asked if there was a minimum time requirement for notification.
 - Mr. Werner confirmed there is as laid out in our bylaws. He also noted the need to be rigid that what is on the agenda is the only thing discussed.
 - Dir. O'Brien asked if everyone can be virtual for these special meetings.
 - Mr. Werner will look into those requirements.

- Dir. Maki thanked everyone for their reviews and moved to item II of the agenda.

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

A. Approval of December 19, 2023 Meeting Minutes

- Motion: Dir. Hansen
- Second: Dir. Markham
- Abstain: None
 - Result: This resolution was adopted unanimously



III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #34 of 2023 and #1 of 2024; Operating ACH Payment Register #39-40 of 2023 and #1 of 2024; Construction ACH Register #12 of 2023.

IV. *CORRESPONDENCE

- A. DLH Construction Newsletter:
- Dated December 22, 2023.
- B. DYT Construction Newsletter:
- Dated December 21, 2023.
- C. December 21, 2023: Duluth International Airport Ready for Christmas Travelers. Fox21.
- D. December 23, 2023: Flight cancellations impacting travelers out of Duluth Saturday. Northern News Now.
- E. December 23, 2023: Thick fog caused flight cancellations at Duluth International Airport. WDIO.
- F. December 31, 2023: December 2023 Monaco Air Foundation Report.
- G. January 5, 2024: Letter of support for RAISE Grant Funding Application for Rice Lake Rd Corridor Project.
- H. January 8, 2024: Letter to Senate Committee on Commerce, Science, and Transportation to raise pilot retirement age.
- I. January 8, 2024: Airlines Signal Change in Post-Pandemic Travel Patterns. Blue Sky PIT News.
- J. January 8, 2024: Crews work hard so flights from Duluth International Airport stay on time. Northern News Now.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- A. None.

VII. NEW BUSINESS

- A. Resolution to Approve the Duluth Airport Authority's Nomination for the Board of Adjustment of the Duluth International Airport Joint Airport Zoning Board.
- Mr. Werner stated The Joint Zoning Board has a separate body, the Board of Adjustment, which would consider accommodations outside of normal zoning requirements, such as for the new Tower building. The late Ken Bulter was previously representing the DAA. This does not need to necessarily be a board member, although it can help with continuity of requests. Kim Maki is willing to serve on this board for a three-year term, even after her time as President is complete.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Hansen
 - Abstain: None
 - Result: This resolution was adopted unanimously.
 - Dir. Hansen asked if the zoning ordinance is for commercial building heights.



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- Mr. Werner clarified that it is for all building heights in the affected area, but per FAA this is the only spot the Tower can be located.

B. Resolution to Approve the Updated 2024 Rates and Charges Addendum for DLH to Include the New Ranch Hangars at 4825 Airport Road.

- Ms. Bodin stated that the current Rates and Charges were approved in November, and these will add the new Ranch Hangar Rates as occupancy is as soon as February. The new rates will be \$675 for 12' doors and \$700 for 14' doors plus taxes and utilities.
- Dir. Maki asked how the DAA arrived at these numbers.
 - Ms. Bodin noted that Ms. Kayser researched based on the cost of the building so that the DAA's costs could be recouped in 5 years.
 - Ms. Kayser also elaborated that they also compared rates with Monaco's condominium spaces and Bemidji's numbers with the understanding that neither is perfect comparison.
- Dir. Maki asked if there was any feedback from potential tenants.
 - Ms. Kayser shared that some complained it was too much, but many more had positive feedback. They are looking for a nicer product and willing to pay more.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Markham
 - Abstain: None
 - Result: This resolution was adopted unanimously.

C. *November 2023 Financial Reports

D. *January 2023 Accounts Receivable

E. *December 2023 Airline Statistics

VIII. DIRECTOR'S REPORTS

A. None

ADJOURN: The meeting was adjourned at 8:32 a.m.

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

Approved: _____
DAA Executive Director